MRM

2010 Annual Report

Summary

€339.7m
Portfolio value excluding transfer taxes

42% / 58%
Retail / Office assets breakdown

171,956 sqm
Total area of asset portfolio

9 / 15
Retail properties / Office buildings

€18.1m
Net annualised rents at 1 January 2011

Data at 31 December 2010

MRM,
A listed real estate investment company (SIIC, French REIT)

MRM owns a mixed portfolio of office buildings, exclusively located in the Paris region, and retail properties, spread between the Paris region and other French regions.

The MRM strategy is based on intensive management work on stabilised properties, as sources of secured revenues, and on repositioning programmes for assets offering value-added opportunities.

The MRM portfolio has been gradually built up since 2007 with the contribution of properties from two investment companies created and managed by CB Richard Ellis Investors, as well as with the acquisitions made directly by MRM's subsidiaries. CB Richard Ellis Investors is in charge of managing the MRM real estate operations.

MRM is listed on compartment C of Euronext Paris.

Interview

with Jacques Blanchard,
Chairman and Chief Executive Officer of MRM

"The market recovery and MRM's healthier financial position enable us to look forward to the future with confidence."

Over the last three years, the financial crisis has forced you to adapt to a new environment. How have you succeeded in adjusting the management of MRM's operations?

After having set up MRM as a listed real estate investment company and opted for the tax status of a SIIC (*Société d'Investissement Immobilier Cotée,* French REIT) in January 2008, the project has not turned out as we had initially intended due to the financial market conditions. A capital increase would have enabled us to fund our investment programme, to pursue our acquisition policy and to reduce our debt ratio whilst developing liquidity of MRM shares. This project was unable to take shape and we announced at the end of 2008 the initiation of an adjustment plan of our operations to face up to the consequences of the financial crisis. We revised our investment plans by concentrating on the existing property portfolio and by planning our commitments in a selective and phased manner. We have also carried out a significant property arbitrage programme and worked both on the reduction of our debt and the management of our short-term bank maturities. It is with great satisfaction that I can say today that, as a result of the sustained work by CB Richard Ellis Investors teams, our plan has been successfully implemented.

Despite the difficulties that you have had to face up, have you been able to continue the strategy of enhancing the value of your assets?

Absolutely. I would even say that with market conditions becoming more difficult, our strategy of enhancing the property values has proved to be a key factor in the success of our adjustment plan. The programmes that we have successfully carried out have confirmed the relevance of our investment selections and their good executions have enabled us to complete several projects over the past three years. Just to give you an example, the transformation of a rundown shopping centre, ideally located near Corbeil-Essonnes in the Paris region, into a Marques Avenue centre, a strongly performing outlet centre, is a good illustration of this. Since, such as with the disposition of the Crysalis office building in Nanterre in July 2010, the sale of this shopping centre in December 2010 gave concrete expression to the success of the repositioning programme undertaken by MRM. Overall, the value-enhancing operations for our properties have contributed in large measure to the portfolio value holding up, the growth of our rental revenues and the sale of properties under good terms.

What is the financial position of MRM at the beginning of 2011?

Refinancing, rescheduling, repayments related to property dispositions: there were numerous signs of progress in 2010 in relation to our bank debt and its maturity. However it was in February 2011, with the signature of an agreement in relation to the restructuring of a credit line of more than 80 million euros maturing in September 2011, that we reached a decisive stage in the improvement of our financial position. The consequences of this agreement are significant: our debt was further reduced, maturities for repayments of our credit lines were extended, the part of bank debt maturing in 2011 is now only 32 million euros, the liquidation NAV rose to 12 euros per share and, finally, the consolidated loan-to-value ratio for bank debt decreased to 72%.

From now on, what are your priorities for the short term? And your plans for the medium term?

Our portfolio is constituted in large part by properties generating rental revenues. We have quality stabilised assets with high occupancy rates, whether office buildings or retail properties. For assets with value-added opportunities, our portfolio comprises two retail properties already in operation and six office buildings of which three are still completely vacant. Our priorities in the short term are the completion of the redevelopment works on the Nova building situated near La Défense and the completion of the adaptation work of the Solis building, located in Les Ulis, to its new tenant's requirements. In the medium term, the healthier financial structure of MRM enables us to study several options and approach the future with confidence.

A healthier financial position

Key stages

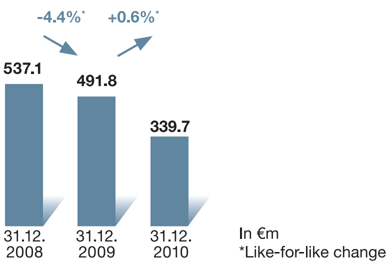
April 2010
Refinancing of a retail property portfolio
- Repayment of a €93.7m bank debt that matured in April 2010
- Setting up of a new credit facility of €91.2m, the majority of which matures in 2015

June 2010
Sale of a company owning two office properties valued at €39.5m
- Withdrawal from a bank facility that matured in August 2010

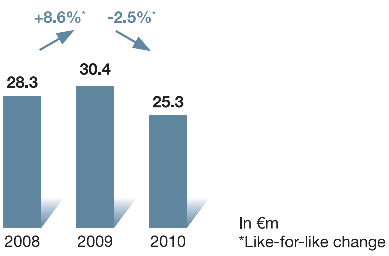
July 2010
Sale of the Crysalis office building in Nanterre for €49.2m, excluding transfer taxes
- Redemption of a credit line maturing in 2012

€151m of asset dispositions completed
in 2010 (all amounts are indicated excluding transfer taxes)

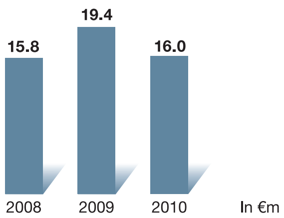
Under the arbitrage plan announced at the end of 2008, MRM proceeded with a total of €173.7m of asset dispositions during the 2009-2010 period, of which €151.0m[1] were in 2010. The most significant sales were the two office buildings in Clichy-la-Garenne and Levallois-Perret in June 2010, the Crysalis office building in Nanterre and the Marques Avenue A6 outlet centre in Corbeil-Essonnes. In total, asset dispositions completed in 2010 generated a net cash of €17.4m.



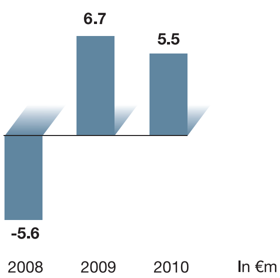
Portfolio value
The significant disposition programme has logically caused a decrease in the value of the portfolio in 2010. However, on a like-for-like basis, the value increased slightly in 2010 after having previously held up well during the crisis in 2009. The rise in value of the operating assets made it possible to offset the reduction recorded for certain vacant office areas. In accordance with MRM's selective policy, investments were limited to €11.1m in 2010, including €8.6m dedicated to the value enhancement works and €2.5m for the acquisition of premises increasing the interests of the Group in the Carrefour Ecole-Valentin centre in Besançon.



Gross rental revenues
The change in rental income, down by 16.6% in 2010, reflects the asset sales realised. On a like-for-like basis, the work related to the letting and tenant management on properties has enabled to limit the fall to 2.5%: the positive impact of the take-up of new leases has partially offset the factors that weighed down in 2010, notably the negative impact of indexation and the vacating of certain areas. Retail properties and offices made equal contributions to 2010 rental revenues.



Current operating income
The decline in rental revenues in 2010 logically impacted on current operating income that totalled €16m. After taking into account charges related to the asset dispositions and given that there was a significantly lower adjustment to the fair value of the portfolio than in 2009, the operating income amounted to -€4.9m in 2010 compared to -€18.4m in 2009. The reduction in the net cost of debt in 2010 enabled the net earnings per share to be improved to -€5.34 compared to -€9.76 in 2009.



Net operating cash flow
Net operating cash flow corresponds to net profit before tax restated for non-monetary items. Despite the decrease in revenue connected with the sale of properties, the control of operating expenses and the decrease in net interest expenses enabled the generation of a net operating cash flow of €5.5m in 2010.

[1] Of which €2.5m conditional

December 2010

Sale of the Marques Avenue A6 outlet centre in Corbeil-Essonnes for €50m, excluding transfer taxes, of which €2.5m are conditional

- Repayment of bank credit lines totalling €35.6m

February 2011

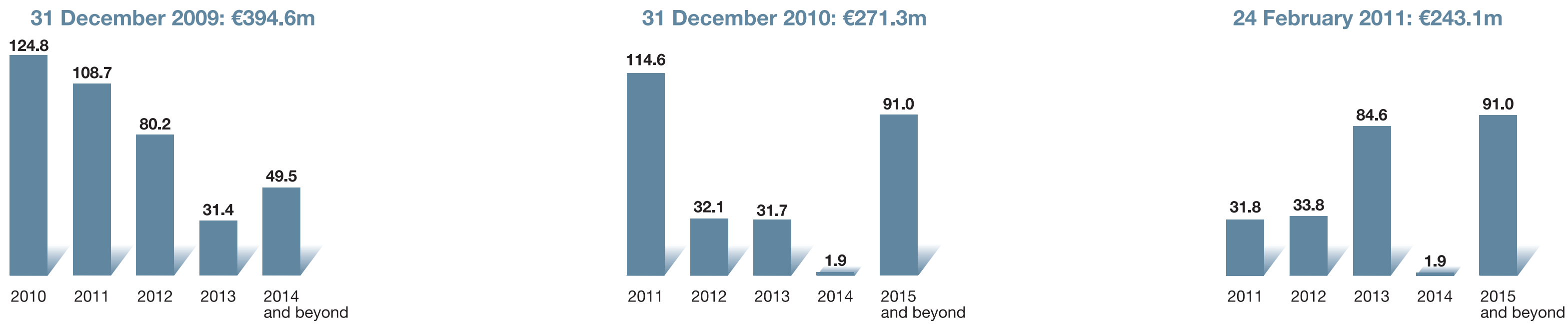
Restructuring of a €83.6m credit line maturing in September 2011 and backed by a portfolio of five office properties

- Early redemption of €4m
- Outstanding reduced to €55.5m, the majority of which matures in December 2013
- Disposition plan of assets between now and the end of 2013 with profit sharing for the bank
- Additional credit line put in place to contribute to the financing of works, notably for the Nova building in La Garenne-Colombes

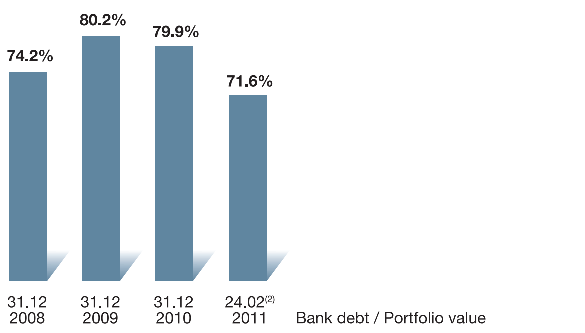
€152m of reduction in bank debt

between 1 January 2010 and 24 February 2011

A significant work on rescheduling and refinancing of credit lines was carried out in 2010. On 24 February 2011, MRM announced the signature of a restructuring agreement relating to its debt maturing in September 2011. This agreement has made it possible to reduce the amount of outstanding bank debt very significantly and to manage its main short-term maturities. Debt maturing in 2011, which totalled €114.6m at the end of 2010, was reduced to €31.8m at 24 February 2011.

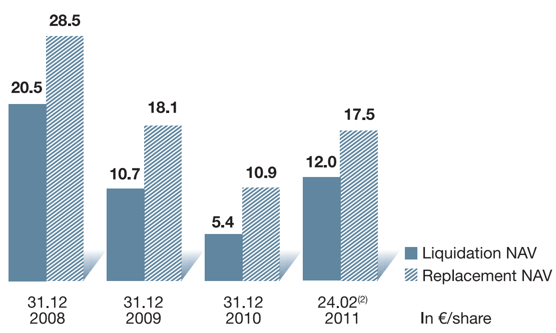


Bank debt maturity schedule



Consolidated bank LTV ratio

The value of the portfolio and the amount of the bank debt having changed by similar proportions, the consolidated loan-to-value ratio (bank debt compared to the value of the portfolio excluding transfer taxes) varied little between 2009 and 2010. On the other hand, the agreement for the restructuring of the credit line maturing in September 2011 has enabled the ratio to be reduced to 71.6% in February 2011.



Net Asset Value

After having declined in 2010 under the impact of the significant programme of asset sales, the liquidation Net Asset Value of €12 per share and the replacement Net Asset Value of €17.5 per share reflect the significant improvement in the financial position brought about by the restructuring of the debt maturing in September 2011.

[2] Estimated value at 24 February 2011 and based on the value of the portfolio at 31 December 2010

A mixed portfolio
of retail and office property

Les Halles, shopping centre located in **Amiens** town centre

Office building, 12 rue de la Bourse in **Paris** (2nd arrondissement)

Carré Vélizy, a mixed-use complex comprising two office buildings and two medium-sized retail units, Habitat and Office Dépôt, in **Vélizy-Villacoublay** in the Paris region

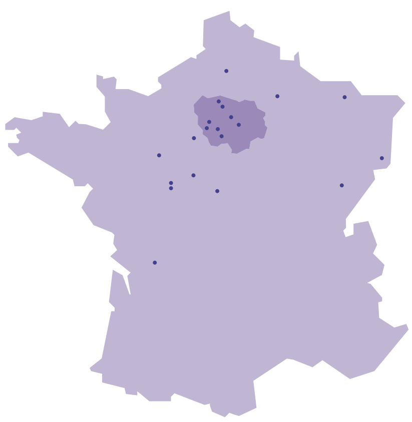
Retail properties spread between the Paris region and other French regions

Stabilised retail assets

- Allonnes (72), 9,001 sqm
- Amiens (80), Les Halles, 7,484 sqm
- Box portfolio, 9,059 sqm (multi-location)
- Gamm Vert portfolio, 24,641 sqm (multi-location) 13 garden centres and 1 warehouse
- Mulhouse (68), Passage de la Réunion, 6,018 sqm
- Reims (51), 2,470 sqm
- Saint-Quentin-en-Yvelines (78), Sud Canal, 11,619 sqm

Retail assets with value-added opportunities

- Besançon (25), Carrefour Ecole-Valentin shopping mall, 6,958 sqm
- Tours (37), Galerie du Palais, 6,965 sqm



€142m
Value of Retail asset portfolio at 31 December 2010

Delta, a complex comprising two multi-tenant office buildings in **Rungis** in the Paris region

Vivier shopping centre, a retail park comprising nine medium-sized stores, at Allonnes in the outskirts of **Le Mans**

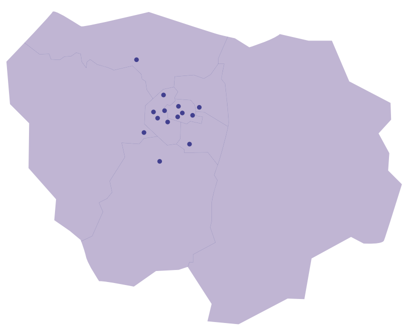
Office properties exclusively located in the Paris region

Stabilised offices

- Boulogne-Billancourt (92), 2,877 sqm
- Paris (2nd), 1,114 sqm
- Paris (9th), 2,318 sqm
- Paris (12th), 2,872 sqm
- Paris (14th), 1,667 sqm
- Puteaux (92), 5,902 sqm
- Rueil-Malmaison (92), 4,562 sqm
- Vélizy-Villacoublay (78), Carré Vélizy, 11,265 sqm

Offices with value-added opportunities

- Cergy-Pontoise (95), Cap Cergy, 7,086 sqm + 5,829 sqm
- La Garenne-Colombes (92), Nova, 10,787 sqm
- Les Ulis (91), Solis, 10,728 sqm
- Montreuil (93), Urban, 7,970 sqm
- Rueil-Malmaison (92), Cytéo, 4,025 sqm
- Rungis (94), Delta, 8,739 sqm



€198m
Value of Office asset portfolio at 31 December 2010

Redevelopment of Nova

an office building located near La Défense

Nova, a 10,800 sqm space in La Garenne-Colombes soon to be served by the T2 tramway currently under construction

After completion of the current works, Nova will be a fully redevelopped office building located close to La Défense and offering occupants functionality, comfort of use and easy public transport access.

2010, new facades and tramway works underway

2009, exposed facades

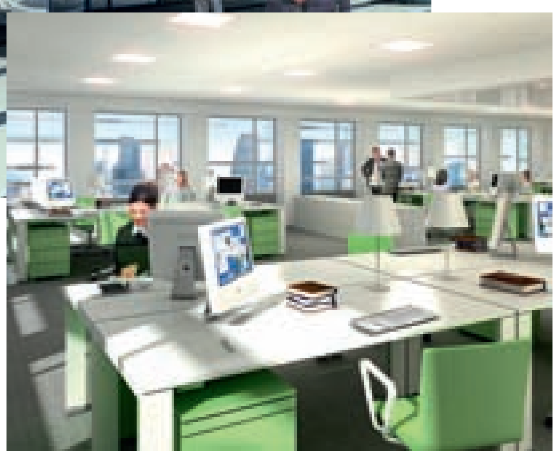
A vast redevelopment programme

After the acquisition of the building and the completion of the preparatory stages in 2008, the first stage of the works mainly covered removing asbestos from the building, exposing the structure, and creating a new executive floor on the rooftop.

The exterior was totally refurbished by putting up a facade designed by the architect Jean-Jacques Ory, made of glass components and metal sunbreakers.

The second stage launched in the beginning of 2011 includes all the works necessary to complete the project and mainly concerns the creation of a double-height ceiling entrance hall, the interior layout and the landscape surroundings.

Projected view of the entrance hall

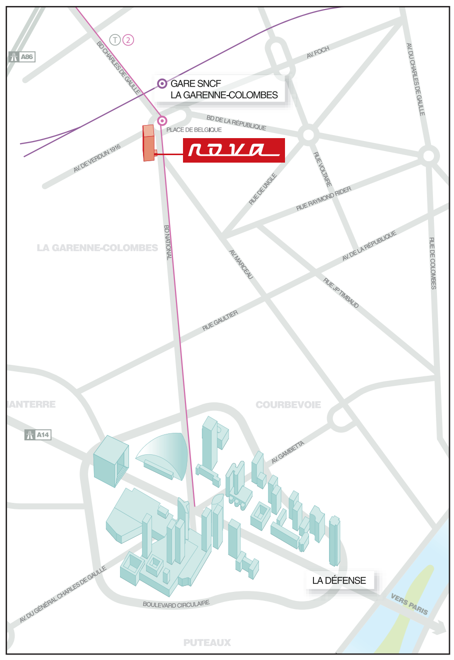


Projected view of ordinary floor

An attractive location

The Boulevard National in La Garenne-Colombes is integrated in the extended area of La Défense, one of the largest tertiary centres in Europe with ambitious plans for the future, and is a natural extension of the heart of this business district. The introduction into service of the new T2 tramway line in 2012, passing in front of the Nova building, will provide a link to La Défense in 5 minutes.

NOVA
Total area: 10,800 sqm spread over 16 floors
Parking: 200 lots
Completion of the redevelopment works: 1st half of 2012



The environmental quality, a strong commitment and a guarantee of durability

In 2010, the Nova building obtained the high **environmental quality standards certification** for French services buildings (*NF Bâtiments tertiaires - démarche HQE®*) for the programming and design stages of the restructuring programme. The repositioning strategy adopted was dictated by taking into account the environmental aspects, both for the project design and for the use. The technical infrastructure was entirely refurbished to the highest standards in terms of energy performance, reduction of waste, water management, improvement of air quality and lighting optimisation.

Nova's environmental features:
- Excellent public transport access
- Facades with a thermal break
- High-performance windows
- Automatic HVAC (heating, ventilation and air conditioning) system
- Automatic control of air conditioning terminals
- Water system installation aimed at reducing water consumption

Diversified retail properties
in operation

€102m
Value(1) of the stabilised retail property portfolio at the end of 2010

94%
Occupancy rate of stabilised retail assets at the end of 2010

€40m
Value(1) of retail assets with value-added opportunities at the end of 2010

15
New leases for retail assets signed in 2010

A diversified portfolio

The varied types of assets divided between the Paris area and the French regions are one of the strengths of the MRM retail portfolio: shopping arcades, shopping centres, ground-floor shops, retail parks or independent retail buildings. The nine complexes enjoy attractive locations, in city centres or on the outskirts of towns. The properties are occupied by a total of 142 tenants, the vast majority of which are nationally or internationally recognised brands.

A solid revenue base

All the retail properties are already in operation.
As far as the stabilised portfolio is concerned, the management work completed in 2010 brought the occupancy rate to a high level (94%). Following restructuring and modernisation work completed at the end of 2009, Les Halles, a shopping centre in the centre of Amiens, enjoyed its first full year of operation under its new configuration in 2010, with Carrefour Market as the anchor food store.
The value of stabilised properties increased by 1.7% (on a like-for-like basis) in 2010 and reached €102m, excluding transfer taxes. Net annualised rents from stabilised retail properties totalled €6.7m at 1 January 2011 and the net yield was 6.5%.

Significant potential for value creation

The two retail properties with value-added opportunities had an occupancy rate of 84% at the end of December 2010. Net annualised rents totalled €1.8m at 1 January 2011. The value of properties increased by 10.5% (on a like-for-like basis) and totalled €40.4m excluding transfer taxes at the end of 2010.

(1) Excluding transfer taxes

La Galerie du Palais, Tours

La Galerie du Palais, a shopping arcade under renovation, located in the centre of Tours

Total area: 7,000 sqm, including 6,300 sqm of stores and 600 sqm of offices and housing
Parking: 370 lots
Number of stores: 19 of which 3 medium-sized units
Partial refurbishment: carried out in 2010

La Galerie du Palais is ideally located in the shopping district of Tours, close to the City Hall and the train station. It is at the heart of a catchment area of 300,000 people. The programme of works completed in 2010 consisted of combining the original arcade and the adjacent building acquired in a second stage, as well as modernising the complex. The delivery in the third quarter of front units created for Fuxia, an Italian restaurant chain, and for La Grande Récré, a specialist toy retailer, marked the completion of the first stage of this renovation programme.

Gallery of the Carrefour Ecole-Valentin shopping centre in the northern outskirts of Besançon: an extension project under study

Gallery area: 4,000 sqm (excluding the Carrefour hypermarket)
Number of stores: 33
Extension project: additional 3,100 sqm
Parking: 1,300 lots (after extension)

The shopping centre benefits from a strategic location alongside the motorway in a catchment area of 236,000 people. It is located in a dynamic business zone and is close to several medium-sized retail units. The Carrefour hypermarket, the centre's anchor store, is the leader in the region. In December 2010, MRM became the owner of the entire shopping gallery adjoining the hypermarket with the acquisition of the 1,100 sqm premises let to Cafétéria Casino. The gallery comprises 33 stores and has an occupancy rate of 100%. An extension is currently under study.

Projected view of the proposed extension, Besançon

High-quality offices
at different stages of the investment cycle

€117m
Value(1) of the portfolio of stabilised offices at the end of 2010

95%
Occupancy rate of stabilised offices at the end of 2010

€81m
Value(1) of offices with value-added opportunities at the end of 2010

18
New leases for office areas signed in 2010

Sustained management of properties

The eight stabilised office buildings constitute a solid revenue base for the Group. The combination of the positive impact of the indexation of rents and work carried out in 2010 on these properties has allowed for an increase of 5.6% in net annualised rents (on a like-for-like basis). These totalled €8.4m at 1 January 2011. The net yield was 7.2%. In a favourable market environment for stabilised assets situated in established locations, the increase (on a like-for-like basis) of 4.3% in the value of these assets to €116.6m (excluding transfer taxes) at the end of 2010 reflects the active management work on these assets.

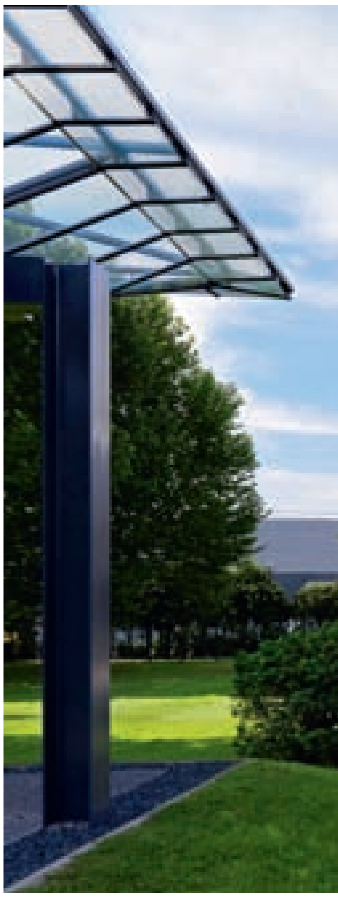
A policy of selective investments

The portfolio of offices with value-added opportunities groups together properties that are at different stages of their repositioning strategy. For buildings in which investment programmes had already been completed, 2010 was devoted to the letting of the refurbished areas. The signature of 13 new leases are proof of the progress achieved concerning Cytéo in Rueil-Malmaison and Delta in Rungis, two multi-tenant buildings, as well as for the Solis building in Les Ulis.

In accordance with the plan to adapt operations to market conditions introduced at the beginning of 2009, the amount of investment relating to offices with value-added opportunities was limited to €4.6m in 2010. This effort was mainly focused on the first stage of works on the Nova building in La Garenne-Colombes.

In 2011, investments will be directed towards completing the redevelopment of the Nova building in La Garenne-Colombes and the works for the Solis building in Les Ulis.

(1) Excluding transfer taxes


Solis, Les Ulis

Solis, a complex comprising two connected buildings in Les Ulis

Total area: 10,700 sqm of which 1,100 sqm of warehousing
Project: adaptation to tenant requirements

The strategy for letting Solis, a mixed office/warehouse area of 10,700 sqm, to a single tenant has been successful. Following completion of the refurbishment programme for the complex, the space was occupied under a short-term lease for the period necessary to put in place this strategy. At the end of 2010, all the space was let under a nine-year lease with a firm six-year period. It will take effect in the last quarter of 2011 after completion of works to adapt to the tenant's requirements. The office floor space will be increased by 2,300 sqm by refitting areas currently intended for use as a warehouse as well as by creating an additional net 1,200 sqm area. At the beginning of 2011, the project was in the stage of applying for building permits.

Paris 12th

Paris 2nd

Paris 9th

Paris 14th

A portfolio of multi-tenant buildings in central Paris

Total area of the portfolio: 8,000 sqm

MRM's Paris office property portfolio is comprised of four buildings with different architectural profiles, each one of medium size and located in surroundings that appeal to small and medium-sized businesses. The active management of these properties and the upgrading of the premises as occupancy changes over time help to maintain high occupancy rates. At end of 2010, this portfolio included 22 tenants and the properties were fully occupied.

Nova, a flagship redevelopment project near La Défense

More about Nova: on pages 8-9

View from the 16th floor of Nova

A Board of directors

with solid experience in real estate investment

The MRM group is governed by a Board of directors. The experience of its members in the management of real estate investments contributes to enriching MRM's strategic discussions. The Board of directors has seven members of whom two are independent: Gérard Aubert and Séverine Farjon. The term of office of the directors is four years.

The Board of directors determines MRM's business policies and monitors their implementation. It examines and draws up the interim and annual financial statements. In 2010, the Board of directors met nine times.

The MRM Board of directors relies on the work of the Audit committee. The main task of this committee is to examine the financial statements and ensure the relevance and consistency of the accounting methods. It also monitors the process for preparing financial information and the effectiveness of the systems of internal control and risk management. The Audit committee is chaired by Séverine Farjon. It met nine times in 2010.

CB Richard Ellis Investors management mandate

CB Richard Ellis Investors, which previously managed the investment companies Dynamique Bureaux and Commerces Rendement whose assets were contributed to MRM during the second half of 2007, is in charge of all of the Group's real estate operations. The exclusive mandate that links CB Richard Ellis Investors to the MRM group covers the following: advice to the Group subsidiaries on strategic decisions concerning real estate investments they intend to make, assistance in managing, administrating, selling and enhancing the value of their property assets as well as the supervision of the legal, accounting and fiscal administration of the Group subsidiaries.

The teams at CB Richard Ellis Investors contribute their in-depth knowledge of real estate markets and their expertise in managing value-added investment companies (acquisitions, funding, value enhancements and dispositions).

As part of the internal control procedures implemented by MRM, meetings are held regularly with CB Richard Ellis Investors, principally in order to: review the market, the asset management policy and the value enhancement strategies of property assets, update management and marketing objectives and validate the multi-year maintenance works programme for each asset.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Composition of the Board of directors
at 29 April 2011

1 JACQUES BLANCHARD
CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF MRM

Jacques Blanchard joined CB Richard Ellis Investors in March 2003 as responsible for retail real-estate investment strategies in France. Previously, he was Chief Executive Officer of the Shopping Centre division of the French subsidiary of Hammerson, a British real estate company, and Property Director at Marks & Spencer for continental Europe.

2 GÉRARD AUBERT
INDEPENDENT DIRECTOR

Gérard Aubert is a well-known figure in the property industry, with over 40 years of professional experience in the sector. He was Chairman of CB Richard Ellis in France from 1983 to 2006. He is now Chairman of Trait d'Union, a property consulting firm.

3 SPE OFFICE SÀRL
represented by ERIC RAVOIRE

Eric Ravoire, who joined CB Richard Ellis Investors in 2004, is responsible for the execution of retail property investment strategies in France. Prior to this, he held various development and marketing positions in the retail property sector, in particular for the Unibail-Rodamco group and for Multi Development.

4 SPE FINANCE SÀRL
represented by FRANK VITAGLIONE

Since February 2009, Frank Vitaglione has been Chief Financial Officer of CB Richard Ellis Investors in Europe. Prior to this, he held various management positions in the financial sector, in particular at Dole, where he was Finance Director for the EMEA area, and also at Cadbury Schweppes and Coca-Cola. Frank Vitaglione is a member of the Audit committee.

5 CB RICHARD ELLIS INVESTORS SAS
represented by JEAN LAMOTHE

Jean Lamothe is President of CB Richard Ellis Investors Europe, in charge of the execution of the company's business plan in the UK and continental Europe, since November 2010. He has 24 years of experience in the real estate and private equity industries, including 16 years with the Caisse de dépôt et placement du Québec in various management capacities on different continents.

6 CB RICHARD ELLIS EUROPEAN WAREHOUSING SÀRL
represented by PETER DICORPO

Peter DiCorpo is Global Chief Operating Officer of CB Richard Ellis Investors. Before joining CB Richard Ellis Investors in 2008, Peter DiCorpo held different positions in the property investment sector, in particular at AIG Global Real Estate Investment Corp.

7 SÉVERINE FARJON
INDEPENDENT DIRECTOR

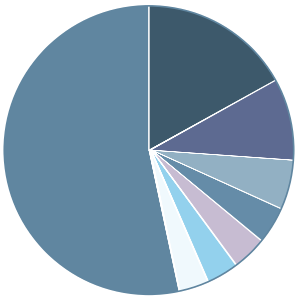
Séverine Farjon is a property sector specialist. After beginning her career as a financial analyst at Fortis Investment Bank, she was involved in capital transactions for real estate investment companies at Natixis and then was in charge of Investor Relations at Orco until June 2009. Séverine Farjon chairs the MRM Audit committee.

MRM
a listed real estate investment company

"We are keen to maintain regular and transparent communication with our shareholders and the financial community. The disclosure policy introduced since the constitution of MRM as a real estate investment company covers both financial and property indicators that we have built as well as the information relating to the market, the business and investment prospects making it possible to assess the Group's position."

Marine Pattin, MRM Finance Director

Shareholding structure
at 31 December 2010



CB Richard Ellis Investors	17.1%
CARAC	9.2%
SC TF Entreprises	5.5%
SNC CAM 62 DEVELOPPEMENT	4.3%
SCI PIMI FONCIERE	4.1%
PREFF	3.4%
Specials Fund	3.4%
Other	53.2%

Total exceeds 100% due to rounding

Shares

Listed on: EURONEXT PARIS – Compartment C

Type: Ordinary share – Daily double fixing

Mnemonic: MRM since 14 January 2008 (formerly: MSCH)

ISIN code: FR0000060196

Bloomberg code: MRM: FP

Reuters code: MRM.PA

Number of shares at 31 December 2010: 3,501,977

Stock market capitalisation at 31 December 2010: €25,914,630

Communication policy

MRM's communication policy takes shape through the publication of press releases to announce interim and annual financial results, quarterly revenue and significant events. During information meetings organised when results are published, a comprehensive review of the business and the development of the portfolio is presented. In addition, a Shareholders' Newsletter is published four times a year.

All information is available in the Finance section of the website: www.mrminvest.com

2011 publications schedule

12 May 2011
1st quarter 2011 revenues

9 June 2011
General Meeting of Shareholders

28 July 2011
2nd quarter 2011 revenues

15 September 2011
2011 interim results

10 November 2011
3rd quarter 2011 revenues

2010
Registration Document

Summary

ERRATUM

Information contained in the English version of the registration document that was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on 29 April 2011 has been amended on 27 May, 2011:

The financial profit as of 31 December 2010 presented in the income statement on page 99 of the document amounts to €3,814,621 and not to €3,184,621.

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

Visa from the French Financial Markets Authority (*Autorité des Marchés Financiers*)

This Registration Document was filed with the AMF on 29 April 2011. It may be used in the context of a financial operation if complemented by a transaction summary ("*note d'opération*") in respect of which the AMF has granted a visa.

Copies of this Registration Document are available free of charge from M.R.M., 65-67 Avenue des Champs-Élysées, 75008 Paris, and on its website (http://www.mrminvest.com), as well as the AMF website (http://www.amf-france.org).

Pursuant to Article 28 of European Regulation no. (EC) 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements and statutory auditors' reports on the separate and consolidated financial statements for the financial year ended 31 December 2009, as presented in the Registration Document approved by the AMF under visa number R. 10-032 on 30 April 2010;
- the separate and consolidated financial statements and statutory auditors' reports on the separate and consolidated financial statements for the financial year ended 31 December 2008, as presented in the Registration Document approved by the AMF under visa number R. 09-037 on 29 April 2009.

1. INFORMATION ON M.R.M.'S ACTIVITIES

1.1 Business overview

M.R.M., a mixed listed real estate company which opted for SIIC status from 1 January 2008, holds a portfolio of office and retail property assets, part of which are stabilised while others still offer value-added opportunities.

Value-added opportunities correspond to properties acquired as they stand and requiring renovation before being let. The intention of these works is to bring these properties into line with tenants' expectations in terms of appearance and facilities, in particular electrical equipment, IT and air conditioning.

M.R.M.'s asset portfolio was constituted *via* merger and contributions by Dynamique Bureaux and Commerces Rendement, dated 12 December 2007, and by acquisitions made directly or indirectly through M.R.M.'s subsidiaries since September 2007.

M.R.M.'s property transactions are managed by CB Richard Ellis Investors, a subsidiary of the global leader in property services, CB Richard Ellis. The Company is implementing a dynamic strategy for enhancing the value of its assets based on yield and capital gains.

1.2 Key figures

1.2.1 The Group's asset profile

Data as of 31 December 2010

M.R.M. Asset Portfolio	12/31/2010
Portfolio (1) value excluding transfer taxes	€339.7m
Total area	171,956 sqm
Value breakdown	58% offices/42% retail 64% stabilised/36% with value added opportunities
Acquisitions made in 2010	€2.4m
Disposals made in 2010	€151.0m (2)

(1) Appraised by Catella Valuation (offices) and Savills (retail).

(2) Corresponds to the sale prices, including €2.5 million conditional.

In relation to 31 December 2009, the asset portfolio has fallen in value by 31%, given the significant disposal programme carried out in 2010. On a like for like basis, i.e. excluding the effect of dispositions made in 2010, the value of the asset portfolio rose by 0.6%.

Changes in the asset portfolio, as they are reported in the consolidated financial statements as of 31 December 2010 (see paragraph 3.7 of this Registration Document), break down as follows:

Asset portfolio as of 31 December 2009	***€491.8m***
Dispositions 2010	*(€154,0m)*
Acquisitions 2010	*€2.5m*
Investments 2010	*€8.6m*
Change in fair value in 2010	*(€9.2m)*
Asset portfolio as of 31 December 2010	***€339.7m***

The negative change in fair value of €9.2 millions excluding disposals and investments at the end of December 2010, is for the most part a result of the correction in property values registered during the second half of 2010 on office properties with value added opportunities. However, the €8.6 million invested in 2010 in refurbishment and restructuring of retail and office assets with value-added opportunities, created value and helped offset the correction in the value of the asset portfolio registered in 2010.

The Group's entire asset portfolio as of 31 December 2010 was valued by two valuation companies, Catella Valuation (offices) and Savills (retail properties). These two companies are independent: they are not related and have no conflict of interests with CB Richard Ellis. The valuations were carried out using recognised methods which were consistent over time, in accordance with French and international valuation standards, namely the "*Charte de l'Expertise Immobilière*" (property valuation charter) implemented by all French property valuation associations and the RICS ("Appraisal and Valuation Manual" published by the Royal Institution of Chartered Surveyors).

Previous appraisal valuations were carried out in June 2010.

The Group values its property assets twice a year. With a view to complying with the SIIC Code of professional conduct, the Group plans to put into place a rotation system for its surveyors.

The methodology chosen by the surveyors is based on the combined implementation of different valuation techniques. Namely, the capitalisation approach and the discounted future cash flow approach.

Appraisers' details

Catella Valuation
15/25 boulevard de l'Amiral-Bruix
75116 Paris, France
Tel.: +33 (0)1 56 79 79 79

Savills
14 rue Auber
75009 Paris, France
Tel.: +33 (0)1 44 51 73 00

Methodology

All appraisal valuations are based on an in-depth visit of the property assets.

In addition, the experts consult the legal, administrative, technical and financial documentation relating to each of the property assets. Consultation of the documentation for the properties is a vital first step to any asset valuation. On a case by case basis, depending on the specific attributes of each property, the valuation phase uses the following methods in accordance with the definitions of the French property valuation charter.

Ownership and occupancy

The appraiser uses information provided by the Company concerning the type of ownership, its scope, the vesting of rights to the property, authorised uses and other information.

The appraiser assumes that this information is accurate, up to date and complete and that the properties comply with applicable laws and regulations.

Town planning and highways

As regards town planning and highways, the information collected verbally from responsible local authorities is assumed to be accurate. No town planning deeds or certificates are requested within the framework of appraisal valuations. The appraiser also checks that there are no town planning or roadway projects planned that could result in a forced sale or directly affect ownership of the properties in question.

Areas

Areas are generally not measured by a surveyor.

The areas stated are those provided by the architects or the managers of the property and are assumed to be accurate.

Equipment and material

Appraisal valuations include equipment and facilities normally considered to form part of the property's fixtures and fittings and which would remain attached to the property if it is sold or let. Equipment and material and their specific foundations and supports, furniture, vehicles, stock and operating tools, as well as tenants' equipment, are excluded from valuations.

Properties under construction or redevelopment

For properties under construction or redevelopment, the appraiser sets out the stage of the development, expenditure already committed as well as future expenditure on the date of the valuation, according to the information supplied by the Company. Contractual commitments of the parties involved in the construction and any figures for estimated expenditure obtained from the consultants working on the project are taken into account.

For recently completed properties, retentions, construction expenses in the process of being settled, fees, or any other expenditure for which a commitment has been made, are not taken into account.

Realisation costs

In their valuations, appraisers do not take account of transaction costs, any taxes that may be payable if the property is sold or any mortgages or other financial commitments relating to the property. Valuations are exclusive of VAT.

Valuation methods

The conclusions formed by the appraisers refer to the notion of monetary value and the notion of rental value.

The market rental value corresponds to the financial compensation (yearly or monthly) for properties valued:

- under market conditions on the day of the valuation, for use of the property within the framework of a new lease;
- under normal operating conditions corresponding to the current allocation of the property.

The market monetary value of a property indicates "the estimated amount at which the property would be sold at the date of valuation between a willing buyer and seller, under normal market conditions, after a reasonable marketing period during which both parties have acted knowledgeably, prudentially and with no constraints."

Income capitalisation approach

These methods consist, on the basis of either reported or existing income, or theoretical or potential income (market rent or market rental value), of capitalising this income by applying a rate of return.

Income-based methods are also known as "income capitalisation" or "return" methods. They can be applied in a number of ways depending on the income base in question (effective rent, market rent, net income) to which specific rates of return correspond.

The capitalisation rates correspond to the yield on the seller's side or with a view to a management year. The capitalisation rate expresses, as a percentage, the relationship between the gross or net income of the property and its monetary value. It is called gross or net depending on whether the gross or net income of the property is chosen.

As of 31 December 2010, the average capitalisation rate is 6.94% for office property and 7.60% for retail property.

The yield rate corresponds to the yield for the buyer or investor. The yield rate expresses, as a percentage, the relationship between the gross or net income of the property and the capital committed by the buyer (acquisition price + transfer fees and duties = gross monetary value commission and fees included).

Discounted cash flow method

This forward-looking method is based on estimated income and expenses relating to the property, determining a "final value" or exit value after the analysis period and discounting all cash flows.

Over a given period and on a forward-looking basis, it involves anticipating all events (reflected as financial flows) that will have a positive or negative impact on the life of the property (rents, charges, vacancies, works, etc.). By discounting, all future financial flows are stated at today's value in order to determine the present value of the property.

This method is notably used for assets with value-added opportunities.

Summary of appraisal valuations by segment of activity

Stabilised Offices	12/31/2010
Appraiser	Catella Valuation
Date of last visits	14% of assets [1] visited less than 12 months ago 57% of assets [1] visited 24-36 months ago 29% of assets [1] visited more than 36 months ago
Type of ownership	7 assets held in full title 1 asset in "lots de volume"
Appraisal value excluding transfer taxes	€116.7m
Value in the consolidated financial statements	€116.6m
The difference of (€0.1) million between the appraisal value and the value in the accounts is from the properties held for sale booked at their appraisal values net of costs to sell.	
Capitalisation rates	Between 5.6% and 7.5% (i.e. 6.9% on average)
Net yield rate	Between 6% and 7.5% (i.e. 6.8% on average)
Occupancy rate [2]	95%

(1) By value as of 31 December 2010.

(2) Ratio of area let to area available for letting.

Offices with value-added opportunities	12/31/2010
Appraiser	Catella Valuation
Date of last visits	11% of assets [1] visited 24-36 months ago 89% of assets [1] visited more than 36 months ago
Type of ownership	4 assets held in full title 2 assets held in co-ownership
Appraisal value excluding transfer taxes	€80.8m
Value in the consolidated financial statements	€80.8m
No difference between the appraisal value and the value booked in the accounts.	
Capitalisation rates	Between 7% and 9% (i.e. 8.0% on average)
Potential net yield rate	Between 8.1% and 13.8% (i.e. 9.6% on average)
Occupancy rate [2]	15%

(1) By value as of 31 December 2010.
(2) Ratio of area let to area available for letting.

Stabilised Retail Assets	12/31/2010
Appraiser	Savills
Date of last visits	33% of assets [1] visited less than 12 months ago 10% of assets [1] visited 12-18 months ago 58% of assets [1] visited 18-24 months ago
Type of ownership	20 assets held in full title 5 assets held in co-ownership 4 assets in "lots de volume"
Appraisal value excluding transfer taxes	€102.3m
Value in the consolidated financial statements	€102.0m
The difference of (€0.3) million between the appraisal value and the value in the consolidated financial statements is due, on the one hand, to properties held for sale which are booked at their appraisal value net of costs to sell, and on the other hand, to properties under sale agreements which are booked at the sale value in the agreement net of costs to sell.	
Capitalisation rates	Between 6.5% and 8.3% (i.e. 7.1% on average)
Net yield rate	Between 5.5% and 8.2% (i.e. 6.7% on average)
Occupancy rate [2]	94%

(1) By value as of 31 December 2010.
(2) Ratio of area let to area available for letting.

Retail properties with value-added opportunities	12/31/2010
Appraiser	Savills
Date of last visits	70% of assets [(1)] visited less than 12 months ago 30% of assets [(1)] visited 30 months ago
Type of ownership	1 asset held in co-ownership 1 asset in "lots de volume"
Appraisal value excluding transfer taxes	€40.4m
Value in the consolidated financial statements	€40.4m
No difference between the appraisal value and the value booked in the accounts.	
Capitalisation rates	Between 6.5% and 7.3% (i.e. 6.7% on average)
Potential net yield rate	Between 7.0% and 8.3% (i.e. 7.9% on average)
Occupancy rate [(2)]	84%

(1) In value as of 31 December 2010.

(2) Ratio of area let to area available for letting.

1.2.2 Financial data

► SIMPLIFIED BALANCE SHEET IN IFRS

(in millions of euros)	12/31/2010	12/31/2009
Investment properties	267.9	287.3
Properties held for sale	71.8	204.6
Current receivables/assets	17.1	18.4
Cash and cash equivalents	12.2	9.5
TOTAL ASSETS	**369.0**	**519.7**
Equity	18.8	37.4
Issued bonds	54.0	54.0
Bank loans	271.3	394.6
Other current debts and liabilities	24.9	33.7
TOTAL LIABILITIES	**369.0**	**519.7**

► SIMPLIFIED INCOME STATEMENT IN IFRS

(in millions of euros)	2010	2009
TOTAL GROSS RENTAL REVENUES	**25.3**	**30.4**
Office assets	12.7	16.2
Retail assets	12.6	14.2
Property expenses not recovered	(2.6)	(3.4)
NET RENTAL REVENUES	**22.7**	**26.9**
Current operating income and expenses	(6.7)	(7.5)
CURRENT OPERATING INCOME	**16.0**	**19.4**
Other operating income and expenses	0.5	1.2
Net booked value of assets disposed	(12.1)	(2.0)
Change in fair value of investment properties	(9.2)	(37.1)
OPERATING INCOME	**(4.9)**	**(18.4)**
Net borrowing cost	(10.4)	(13.2)
Other financial expenses	(3.2)	(2.2)
NET PROFIT (LOSS) BEFORE TAX	**(18.5)**	**(33.8)**
Tax	(0.1)	(0.1)
CONSOLIDATED NET INCOME	**(18.6)**	**(34.0)**
NET EARNINGS PER SHARE *(IN EUROS)*	**(5.34)**	**(9.76)**

► DEBT

As of 31 December 2010, bank loans amounted to €271.3 million, *i.e.*, 79.9% of the asset value. The average margin on such debt relative to Euribor is 142 basis points (excluding impact of set-up fees). It is entirely hedged by financial instruments (caps).

On 17 February 2011, the Group signed a significant agreement with a view to restructuring bank debt maturing in September 2011, amounting to €83.6 million as of 31 December 2010. The terms of this agreement are set out in the paragraph "Maturity and Hedging of the Bank Debt" on page 12 of this document.

Following this agreement, M.R.M.'s total bank debt was reduced to €243.2 million compared with €271.3 million as of 31 December 2010. This restructuring agreement also had the effect of bringing down the LTV ratio to 71.6% compared with 79.9% at the end of 2010.

The M.R.M. group also benefits from a 5% fixed-rate issued bond of €54 million. These bonds are issued at a par value of €1 with a maturity on 31 December 2013. The Company may proceed to the early redemption of the bonds at any time.

In accordance with the possibility offered by the terms and conditions of bond, the Group decided to suspend payment of the bond interest from the fourth quarter of 2008. Interest on arrears, registered at an annual interest rate of 5.0%, calculated on the basis of actual days elapsed and a year of 360 days, due daily and compounded annually, has been accrued for this. Its projected short term cash situation having improved, the Group resumed payment of bond interest from the first quarter of 2011 onwards.

	12/31/2010	12/31/2009
Issued bonds	€54.0m	€54.0m
fixed rate	5%	5%
Bank loans	€271.3m	€394.6m
average margin (1)	142 bps	116 bps
Cash and cash equivalents	€12.2m	€9.5m
LOAN TO VALUE **(LTV)** (2)	**79.9%** (3)	**80.2%**

(1) Excluding impact of set-up fees.
(2) Bank loan of the Group on asset portfolio appraisal value excluding transfer taxes.
(3) Estimated at 71.6% as of 17 February 2011, on the basis of the value of the portfolio as of 31 December 2010.

As of 31 December 2010, the net bank debt was:	€259.1m
With a gross debt of:	€271.3m
And cash of:	€12.2m

▸ MATURITY AND HEDGING OF THE BANK DEBT

As of 31 December 2010, the debt schedule was as follows:

Maturity	Amount	% of the total bank debt
2011	€114.6m	42.3%
2012	€32.1m	11.8%
2013	€31.7m	11.7%
2014	€1.9m	0.7%
2015	€80.4m	29.6%
2016 and beyond	€10.6m	3.9%
TOTAL	**€271.3m**	**100%**

The €114.6 million of debt which matures in 2011 consists of three loans: €4.4 million maturing in April 2011, €26.4 million maturing in July 2011 and €83.3 million maturing in September 2011.

On 2 July 2010, an amendment to the credit agreement maturing in July 2011 was signed, with a view to gradually reducing the loan-to-value ratio to 60%, thus anticipating an extension or a possible refinancing on maturity.

On 17 February 2011, the Group signed a restructuring agreement with its banking partner concerning the credit line maturing in September 2011. This credit line is backed by a portfolio of 5 office property assets. Following this agreement, 2 credit lines were put in place. The first, of €49.5 million, will mature at the end of December 2013. The second, for €10 million, involved an early repayment of €4 million when the agreement was signed and the repayment of the remaining €6 million is spread over 3 years. This agreement, which involves a plan to dispose of the 5 assets by the end of 2013, includes a share for the bank in the proceeds from the sales. The agreement also includes an additional credit line to finance works yet to be carried out on certain assets, especially the Nova building in La Garenne-Colombes. Following this agreement, the amount of the M.R.M. Group's bank debt maturing in 2011 fell from €114.6 million to €31.8 million.

On 14 April 2011, the Group signed with its bank partner an amendment to its credit line falling due on 20 April 2011 and totalling €4.4 million as of 31 December 2010. This amendment aimed at postponing the maturity to 30 December 2011.

The bank debt is 100% hedged by caps on the three-month Euribor at a rate of between 3% and 5.50%:

Euribor Strike	Amount
3.00% - 3.50%	€57.3m
3.51% - 4.00%	€88.7m
4.01% - 4.50%	€0.0m
4.51% - 5.00%	€0.0m
5.01% - 5.50%	€125.3m

▸ NET ASSET VALUE AND BALANCE SHEET

As of 31 December 2010, the liquidation Net Asset Value was €5.4 per share and the replacement Net Asset Value was €10.9 per share, compared with €10.7 and €18.1 on 31 December 2009.

The significant restructuring agreement for a bank debt maturing in September 2011, signed by the Group on 17 February 2011, the terms of which are set out in the paragraph "Maturity and Hedging of the Bank Debt", on page 12 of this document, had the effect of increasing the liquidation Net Asset Value to 12 euros per share, compared with 5.4 euros at the end of 2010 and the replacement Net Asset Value to 17 euros per share, compared with 10.9 euros at the end of 2010.

The NAV (Net Asset Value) is an indicator which measures the realisable value of a real estate company. It represents the difference between the value of the Company's portfolio (as assessed by independent appraisers) and the sum of the debts. The NAV was not subject to any restatements insofar as the investment property and the property held with a view to a sale were entered at "market value" on the Group consolidated balance sheet as of 31 December 2010. The liquidation NAV corresponds to the NAV excluding transfer taxes, with the properties taken at their values excluding transfer taxes according to the appraisal valuations made by the independent appraisers. The replacement NAV corresponds to the NAV including transfer taxes, with the properties taken at their values including transfer taxes according to the appraisal valuations made by the independent appraisers.

NAV Data	12/31/2010	12/31/2009
Net Asset Value	€18.8m	€37.3m
Liquidation NAV/share	€5.4 (1)	€10.7
Replacement NAV/share	€10.9 (2)	€18.1

(1) Estimated at €12 as of 17 February 2011, on the basis of the value of the portfolio as of 31 December 2010.
(2) Estimated at €17.5 as of 17 February 2011, on the basis of the value of the portfolio as of 31 December 2010.

1.3 Company history

M.R.M. was initially a holding company heading up a group organised around three business lines: manufacturing and sales of velvet products (J.B. Martin), clothing design and retailing in Mexico (Edoardos Martin) and the production and sale of plastic tubes and cables (MR Industries). Over the last few years, M.R.M. has committed itself to an active strategy of refocusing its business activities on the first two operations, gradually disposing of all companies within MR Industries, the latter company having been sold, with its sole subsidiary Tecalemit Fluid System, to J.B. Martin Holding for €1 on 29 June 2007.

29 June 2007: Dynamique Bureaux, a property investment company managed by CB Richard Ellis Investors, took over M.R.M., a company listed on the Eurolist of Euronext Paris, *via* acquisition of 70.03% of its share capital. Prior to that acquisition, M.R.M. had sold all its operational businesses, grouped together in the subsidiary J.B. Martin Holding.

31 July 2007: Dynamique Bureaux launched a simplified public tender offer for all the shares of M.R.M.

30 August 2007: At the end of the simplified tender procedure, Dynamique Bureaux held 96.93% of the share capital and voting rights of M.R.M.

28 September 2007: M.R.M. began to carry out its first acquisitions of office buildings through property companies.

9 November 2007: After obtaining the visa for the E.07-163 document from AMF on 8 November 2007, M.R.M. announced its plans to change its business and move towards that of a mixed listed real estate investment company. The project took the form of Dynamique Bureaux's merger-absorption into M.R.M. and the contribution by Commerces Rendement of its shares (directly and indirectly with the contribution of all of Investors Retail Holding's shares, a company whose sole assets were its holdings in Commerces Rendement).

12 December 2007: The General Meeting of M.R.M. Shareholders held on 12 December 2007 approved, among other items, the following transactions:

- contribution of all Commerces Rendement shares not held by Investors Retail Holding;
- contribution of all shares held by Investors Retail Holding;
- absorption of Dynamique Bureaux;
- ratification of co-opting directors on 29 June 2007;
- transferring the head office to 65/67 avenue des Champs-Élysées, Paris (75008);
- redrafting the Company's Articles of Association;
- authorisation to proceed to capital increases.

30 January 2008: M.R.M. opted for SIIC status as from 1 January 2008.

The tax regime for "*Sociétés d'Investissements Immobiliers Cotées*" (SIIC), laid down in Article 208 C of the French General Tax Code, exempts eligible companies which opt for this status from corporate tax on income from letting buildings, and from capital gains tax on sales of buildings and shares in real estate companies.

Conditions for eligibility are twofold:

- one condition concerns the company's business: at least 80% of its business must derive from property holding and management;
- one condition concerns the shareholding structure: no one shareholder can hold more than 60% of the share capital and voting rights of the company, and at least 15% of the share capital and voting rights must be held by shareholders accounting for less than 2% of the share capital and voting rights.

The company must opt for the SIIC status before the end of the fourth month from the beginning of the financial period for which the company requests application of the regime. It takes effect as from the first day of the applicable financial period and is irrevocable. The resulting change in tax status gives rise to the discontinuation of a company's business (taxation of unrealised capital gains, payment of any deferred tax and any unpaid corporate tax on operating income).

Such corporate tax on unrealised capital gains, plus deferred taxation and taxation of operating income not yet declared (generally referred to as "exit tax"), levied at a 16.5% rate, must be paid in instalments of 25%, on 15 December of the first year of the option, and of each following year.

SIIC listed property companies and their subsidiaries having opted for the special tax regime are exempt from corporate tax on the part of their earnings derived from:

- rental of buildings, provided that 85% of such earnings be distributed before the end of the financial period during which they are generated;
- capital gains realised on sales of buildings, shares in partnerships as described in Article 8 of the General Tax Code, and whose purpose is identical to that of the SIIC, and/or shares in subsidiaries having opted for the special tax regime provided that 50% of such capital gains are distributed before the closing of the second financial period following their realisation;
- dividends received from subsidiaries having opted for the special tax regime and deriving from tax-exempt income or capital gains, provided that they are entirely redistributed during the financial period following the dividend payout.

25 March 2008: M.R.M. joins the Euronext IEIF SIIC index.

1.4 The Company

The market data provided in this chapter is taken from reports published by CB Richard Ellis and the 2010 annual activity report of the national body for shopping centres, the "*Centre National des Centres Commerciaux*".

The reader may refer to the management report in section 3.6 of this document for further details about the M.R.M. Group.

1.4.1 Business overview

The purpose of M.R.M. as a real estate company is the acquisition, holding, value-enhancement, rental and arbitrage of property assets. The Group manages the structure of its portfolio in order to maintain a balance between stabilised assets and assets with value-added opportunities. This means targeting the acquisition of assets that offer either secure rental potential or value enhancement.

Growth lies in selecting investments, diversifying revenues, enhancing property value, optimising financing methods and in combining internal development with growth via acquisitions.

The Group operates on the office and retail property markets, each with their own characteristics. These businesses require in-depth knowledge of investing and rental activities, of laws and regulations, and the competitive environment.

M.R.M. enjoys access to the expertise and databases of CB Richard Ellis Investors and CB Richard Ellis on the business property market. CB Richard Ellis France has a team of ten people, who are constantly monitoring the situation and who publish about one hundred benchmark studies per annum with access to excellent databases: more than 20,000 office transactions in the greater Paris region, 4,000 investment references in France, with municipal rental archives going back further than ten years, covering 10 million sqm of available space classified according to probability of market entry and foreseeable date of market entry, as well as databases covering 28 urban areas.

Office properties

In the office property segment, demand is concentrated in Paris and the suburbs, and to a lesser extent in large cities in the French provinces. Developments in this market are described in 1.4.2. Upon investing, the key indicators include the volume of property exchanged and variances in capitalisation rates used to value the properties.

Vacancy rates and variations in rents are two essential criteria for the rental market. Although the investment and rental markets have differences, they do have some determining factors in common.

With regard to rent regulations, the INSEE construction cost index, which has been very volatile over the last few years, is expected to be replaced by the ILAT commercial property rental index (ILAT), a new index which is more closely correlated with changes in GDP. Environmental legislation is likely to undergo in-depth change in order to meet the growing demands for sustainable development. In parallel with the particular focus on personal safety (asbestos, construction materials, etc.), regulations are also evolving in relation to the protection of the environment (energy standards, greenhouse gas emissions, the introduction of buildings into the environment, natural landscaped surroundings, etc.) and the disabled.

The competitive environment in which the Company operates is becoming fragmented, with regard to both the type of assets involved and the players, which include a number of French real estate companies (under SIIC regime), French and foreign investment funds, and institutional investors. No one player among them controls a significant share of the different market segments.

Certain property players can be considered as competitors as they operate entirely or in part on the same market segment as the Company, mainly some listed real estate companies and investment funds such as Foncière des Régions, Affine, Société de la Tour Eiffel, Compagnie de la Lucette and Eurosic (property companies), and MSREF, Whitehall, Proudreed, and LFPI (funds). In addition, some private individuals and smaller real estate companies may also be interested in certain assets targeted by the Company.

Retail properties

Retail property is a highly specific market segment subject to a particular economic and regulatory sector. Developments in this market are described in 1.4.2. The development of retail and distribution can be observed in the endurance of suburban retail parks and the refurbishment of existing town-centre facilities. In addition, the size and demography of the French market foster the development of chains by domestic and international retailers. E-commerce is also developing strongly and represents a significant distribution channel in certain consumer sectors (travel ticketing, electronic goods, etc.).

These retailers are now operating in most large cities in France, and are beginning to penetrate deeper into the territory by opening outlets in smaller catchment areas, although continuing to scrutinise entry conditions, given the difficult economic environment.

The balance of power between tenants and lessors is determined by the strength of the retail property and business, which belongs to the tenants and therefore strongly influences their attachment to the premises, and by the regulation of available supply of premises, which is determined by the authorisation required prior to opening any mid-size or mass retail outlet, governed by urban planning laws, which are currently being reformed. These changes are being followed closely by players in this market.

As a consequence, investments made in commercial property are subject to a lesser extent to the vacancy constraints known in other property sectors.

Against the backdrop of the volatility of the index traditionally used (the construction cost index - ICC), the regulations now allow the use of a new index (retail rents index - ILC) incorporating certain retail activity indicators by volume in order to weight the construction cost index. However, the change in index is not statutory and in order to be applied it needs an agreement between the parties.

The competitive environment in which the Company operates is fragmented: the main players include a certain number of French and international listed real estate companies, specialising in retail property or with a significant proportion of their assets on this segment, such as Unibail-Rodamco, Klépierre, Mercialys, Altaréa or Corio.

Asset value-enhancement policy

The main strategy of the M.R.M. group is to keep a significant portion of assets with value-added opportunities in its portfolio. These are assets which show potential for substantially higher yields.

The first stage of this strategy consists in identifying, negotiating and acquiring undervalued assets. Once acquired, the Group has several sources of leverage to enhance their value:

- refurbishing assets can improve their standing and lift them to higher market standards;
- realignment of rental incomes to market rates.

1.4.2 The property market in 2010, office and retail segments

Source: CB Richard Ellis study Q4 2010 entitled "Market View – Real Estate Markets"

The investment market in France

A real improvement

In 2010, **€11 billion** were **invested** in standard commercial real estate in France representing a year-on-year increase of 42%. Even if this volume is well below the level of investment taking place before the crisis, it is still a worthy turnaround. The 4th quarter was particularly active benefiting from the usual pressure to complete before the end of the year. Some 40% of the year's transactions, or €4.6 billion, took place in the 4th quarter, making it the busiest quarter for real estate investment since the end of 2007. While small and medium deals dominated the market in 2009 because there was no finance available to complete large ones, the **market saw a wider spread of transaction size** in 2010. In particular the segment €100 million to €200 million gained in liquidity. In fact, as long as the underlying asset was secure, credit was available once again with more relaxed conditions and lower deposits. Not only that, but finance was available at attractive rates due to low short-term interest rates. **Very big transactions are still scarce** and difficult to finance, however. The sale of portfolios continues to suffer because they usually contain a mix of properties and the market is still difficult for secondary assets. Portfolios only accounted for 12% of investment volumes during 2010. Nevertheless the 4th quarter saw the return of sales of significant building portfolios with the signature of four transactions each worth more than €100 million.

Real estate as a refuge value in the period of crisis recovery

The improvement in the investment market was due to **renewed interest in commercial real estate**, particularly by large institutional investors. In a turbulent financial environment where uncertainty is rife – due to the European public debt crisis, unstable stock markets and uncertainty about medium term rates – real estate as a very tangible asset emerged once again as a protective investment for the long term. One consequence of its status as a refuge value is that **buyers are focussing on secure assets** backed by long leases with solid tenants at market rents. The precariousness of the economic upturn further increased **real estate players' aversion to risk and as a result the market for secondary assets**, where no re-pricing has taken place, has remained at a standstill. Potential buyers demand particularly high yields on secondary products to offset the risk attached to this type of investment; sellers, unless they are forced to sell, refuse to give way.

Quite logically investors' resolve to secure their position has been coupled with a focus on quality property assets. In 2010, more than 50% of investment volume was dedicated to new, recent or redeveloped buildings notably due to the revival of the market for off-plans sales in the 2nd half of the year. The investment volume of buildings still on the drawing board virtually tripled between 2009 and 2010 and it is worth noting that a few decent-sized speculative off-plan sales were closed at the end of the year.

Faced with the pressure of this demand, quality supply lagged sorely behind, even if the rise in market values for good quality properties helped encourage some owners to sell more actively.

Assets always premium quality but alternative sites considered

The sale of **shops**, the supreme defensive assets, particularly benefited from investors' insistence on security and as such they pushed up investment volumes in the 1st half. It is the **only market segment to have regained its pre-crisis investment volume**. With €2.6 billion invested in retail in 2010, the year posts the second highest investment volume after 2007. Not only that, but approximately **60% of retail investment** took place in **regional France**, hence the relatively high share of regional investment in national figures. The dynamic market activity in this sector stems from the **great appeal of the shopping centre segment** which alone attracted 62% of retail volume, in large part thanks to the acquisition of some emblematic sites including Cap 3000 and O'Parinor. By contrast the investment in the bricks-and-mortar of retail chains struggled due to the difficulty of selling portfolios and to the slowdown of consumption on the outskirts of towns and cities, a change in spending habits that has also adversely affected the retail park market.

Since the summer though, activity has shifted to the office market.

The volume of transactions in the 2nd quarter was 2.5 times higher than in the 1st half of the year. In total almost €€7.5 billion were invested in offices. **Investors widening their target properties** brought on the resumption of office investment. So while Paris Centre West was the location for more than 60% of office transactions at the start of the year, in recent months buyers have turned to other locations offering recent and notably off plan schemes. As long as an asset promises long-term security and is close to public transport, the quality of its construction now takes precedence over the prestige of its location. **Approximately 45% of office investment in the 2nd half was concentrated in the Western Crescent and the Inner Rim**. Regional France, where the office market has been particularly slow since the start of the year, also gained from the resumption of off-plan sales in the 4th quarter.

Another feature worth noting is the renewal of investment activity in La Défense, which benefited from the improvement in liquidity of large assets.

Finally, **in the warehouse and industrial market, after a difficult start to the year, the 4th quarter marked the recommencement of investment activity**; the volume of investment in the last quarter was equal to investment in the first nine months of the year for this market sector. We also witnessed the return of industrial portfolio sales. As the year closed, some €0.9 billion of investment was identified in the sector for 2010.

Players follow core strategies

Despite more flexible financing conditions, **investors with equity capital dominated the market** throughout the year with institutional investors in the front line. **Insurance companies** that were net sellers in 2009 were **active** again, even though their acquisition intentions were sometimes thwarted by a shortage of buildings to buy that matched their criteria. The high level of funds collected by **SCPIs** boosted their activity and consequently they posted **all-time high levels of investment**, similar to those seen in 2007. The high amount of capital available for investment led SCPIs to acquire considerably larger assets than usual. Finally, 2010 confirmed **the place of OPCIs** as a preferred vehicle in the French market for uniting capital from different sources, be it institutional or private, domestic or international.

Opportunist investors were once again left wanting. The much awaited distressed sales were, at the end of the day, quite scarce and attracted a great deal of competition from potential buyers.

Thus in 2010 investment funds such as SIIC investment trusts and other investment funds sold more than they bought. Indeed the **SIICs** which generally managed to overcome their debt problems, made a noticeable **comeback at the end of the year**, most notably in the niche of off-plan sales that are more likely to provide the returns SIICs are looking for.

2011, a segmented market

For 2011, we expect **investment volumes to stabilise** and forecast an annual investment figure of **12 to €13 billion**. The core market may have recovered some strength as several institutional players decided to resume allocating assets to real estate, but the market for insecure or secondary assets appears to be frozen for the foreseeable future. **Investment has therefore only resumed partially** and this market segmentation has led to the fall in prime yields, in some segments by as much as 200 basis points compared to their high in 2009. Simultaneously, short and long term interest rates may be at an all time low but they have started rising. The risk premium attached to real estate remains substantial and real estate as an asset class is still attractive, as the high investment figures for the 4th quarter confirm. There is **no speculation for the moment** in the market; players are choosing positions that secure their capital for the long term. Nevertheless, considering the level of prime yields, buyers are expressing doubts and are more vigilant than ever before when analysing assets. Finally, for those that do not wish to sacrifice yield, **a change in selection criteria** has emerged. The factors for considering whether a property is prime or not is shifting somewhat: investors are notably more interested in the measures introduced following the Grenelle environmental talks. The intrinsic quality of a building and its accessibility by public transport have replaced a prestige location and handsome masonry. This shift is expected to accentuate in 2011, which should enable the first wave of offplan sales to continue and grow.

The office market in Ile-de-France

Occupier requirements slow down

While the **amount of space being sought by occupiers gently declined** in 2010 – oscillating from month to month – it now seems to be **stabilising**. The requirements received by agents confirm the existence of **serious property searches**. In addition, in a few instances **SMEs and large companies** are looking to the medium term and **anticipate some recruitment**, but this is by no means widespread.

2010 posted good results in a market led by Paris

In 2010, take-up stood at **2.16 million sq. m** in Ile-de-France, which is a **15% rise** on 2009's figures. Considering the relatively high level of activity during the rest of the year, the results for the 4th quarter fell short of the expected volume and take-up totalled **538,700 sq. m**.

Usually transactions on **large units > 5,000 sq. m** accelerate at the end of the year. This did not happen in 2010 and was largely the cause of the **shortfall** in take-up. Some projects were postponed; others cancelled outright. In addition, the **average size** of transactions **fell** substantially (from 12,700 sq. m on average from 2000 to 2009, to 10,800 sq. m). Some **73 transactions above 5,000 sq. m** were identified totalling **785,600 sq. m** for the entire year. By contrast, the market was very buoyant for the segment of units under 5,000 sq. m thereby compensating the lower result for large transactions.

Paris accounted for **43%** of take-up in the region, the **highest share of the market it has ever had**. The figure demonstrates the **rapid resumption** of activity in the capital. Occupiers took advantage of the **fall in rents** in Paris in 2009 to move or return to the city, a trend seen for all sizes of premises. In contrast to trends in the region, **take-up in units above 5,000 sq. m in Paris reached a decent level** (273,000 sq. m), transactions were made possible by the completion of large buildings that until then were absent from the Parisian market.

Take-up in the **Western Crescent** stood at a rather **disappointing 407,200 sq. m**, the market struggling due to the rather sluggish market for large units. A similar situation was observed in the **Outer Rim where take-up stood at 364,300 sq. m**. Despite a few significant transactions, the market in **La Défense** was slow all year and take-up totalled just **154,200 sq. m**, including 7 transactions above 5,000 sq. m. Following a **hesitant 1st half** with 120,300 sq. m, the **Inner Rim** saw **more activity in the 2nd half** with 192,900 sq. m, notably due to a few large transactions.

The structure of take-up **by sector of activity** has remained constant over time. **Industrial occupiers** were again very important, accounting for more than a **quarter of take-up volume**. **Financial and insurance companies** still had many real estate projects on the go and were the **second largest takers** in 2010 with **16%** of the market, even though their share shrank from the previous year. The **public sector**, while still in the process of rationalizing space usage and reducing costs, has still not carried out all the moves planned for the short and medium term. It took 12% of take-up in 2010.

The share of **new or redeveloped space** was lower than in previous years, at **32%**. Occupiers look for good quality, new premises but there is a shortage of new offices in certain areas. In addition several large transactions were concluded on second hand space, which despite its age offered good specifications.

2010, a year of stabilising supply

At **3.6 million sq. m**, immediately available supply has been stable since the end of 2009. The business economy in the Paris region has therefore been able to absorb the same amount of office space as is being built and vacated.

The vacancy rate has remained at a **reasonable average rate of 6.8%**. As of 1st January 2011, the rate by sector spread from **3.4% in North Eastern Paris to 9.1% in the Northern Inner Rim**.

In one year, **immediate supply in Paris Centre West shrank by 10%** and by an even bigger 20% in North Eastern Paris. In the Inner Rim, supply reductions varied but supply still fell by an average of 10%. By contrast, it rose by 8% in the Outer Rim and 34% in La Défense.

About 27% of immediate supply is new or redeveloped space, the overall quality of supply therefore improved slightly in the 4th quarter because more new or renovated space was completed than consumed. The quality of supply varies greatly from one area to the next with **the share of quality space in North Eastern Paris less than 10% but more than 45% in the Inner Rim**. The completion of the Cristal and Farman towers in the 15th arrondissement means that some high quality space is available in Paris (25% of space is new or redeveloped).

Future supply deteriorates in quality

Definite future supply in units above 5,000 sq. m is stable as of 1.1 sq. m: 696,000 sq. m of this is available within a year (a year-on-year fall of 6%) and 404,000 sq. m is available beyond a year (a year-on-year rise of 21%).

Note that the rise in more long-term supply is attributable to occupiers leaving space in the future and not to a resumption of speculative construction. Thus **definite new or redeveloped supply in the pipeline in units above 5,000 sq. m** fell by 192,000 sq. m in a year (down 29%) to reach 460,000 sq. m, while, in the same period, the forecast volume of space being vacated rose by 77% to 426,000 sq. m. **The share of new or redeveloped space in definite future supply above 5,000 sq. m is now only 42%** (compared to 61% at the start of 2010). Completed or pre-let schemes in 2010 are not sufficiently compensated by new speculative development. The largest drops in the definite future supply of new and redeveloped space in 2010 were seen in the Central Business District of Paris (down 58%), in Southern Paris (down 60%) and in the Outer Rim (down 82%). **La Défense** is the exception with new supply in the pipeline rising by 89% since 1st January 2010 due to the groundbreakings on Tour Descartes and Carpe Diem.

Probable future supply seems to be stabilising at **2.8 million**, a 1.8% rise in a year. Projects for developments ready for works to begin are piling up on developers' desks, rising by 7% in a year.

In 2010, immediate supply foiled predictions by remaining stable in size and quality. However, the marked deterioration in the quality of definite future supply and the low amount of development taking place confirms fears for a real scarcity of quality supply.

Rents strengthen

After falling throughout 2009, the **average rent for new, redeveloped or renovated space strengthened in 2010 to stand at €308** net/sq. m pa as of 1st January 2011, representing an **annual rise of 2%**. For second hand space the average rent was stable at €227.

The highest rise in 2010 for new, redeveloped or renovated space was in Paris where it **rose by 2.7%** to stand at **€450. In Paris Centre West** the annual rise was even **as high as 3.7%** and the average rent there stood at €513. For the **rest of Paris**, the average annual rent **increase was 1.4%** with rents at €423 in Southern Paris and €309 in North Eastern Paris.

In the rest of the Paris region, the average rent for new, redeveloped or renovated space **rose by 1.4%** in 2010 **with no significant gap from one broad sector to the next** (Western Crescent up 1.6%, Outer Rim 1.4%, Inner Rim 1.2%, La Défense 1.1%). However, more contrasting movements could be seen in some sub-markets: sometimes downward trends (Southern Outer Rim down 3.2% and Southern Inner Rim down 1%), sometimes upward trends (Northern bend of the Seine up 3.5%, Northern Inner Rim up 3.2%). However, the upward trends are not really representative because they are the result of a few exceptional transactions on landmark schemes.

Compared to last year, **the spread of rental values usually seen in the region has re-established itself with the highest reference value in central Paris**. The capital has space at a wide range of rents that suit a variety of occupiers. The gap between rents in the traditional business districts and peripheral districts should help balance the market in 2011.

Prime Paris rents sensitive to supply scarcity

At €734 net/sq. m pa, **the average prime rent in Paris Centre West was virtually stable in the 4th quarter showing just a 1% rise**. But it rose by **11% in 2010 as a whole**. The **scarcity of very good quality premises** on the market meant that some transactions exceeded €750, which pushed up both prime and average rents.

In the **Western Crescent**, the prime average rent slipped by 10% in the 4th quarter ending the year posting an **overall drop of 2% at €422**. This drop reflects the lower volume of transactions in the 2nd half in markets where we usually see the highest rents of the Western Crescent. The sharp 27% rise in prime rent seen at the end of the year in **La Défense, €511**, needs to be kept in perspective because very few transactions at high values took place at the end of 2009. The quarterly variation was, however, negative at 6%.

Commercial concessions remain substantial

Commercial concessions remained substantial with, on average, rent-free periods of **1.5 to 2 months for each year of commitment** to the lease for large offices. For small units the situation is slightly different and commercial concessions scarcely exceed one month's rent. The higher the headline rent then the higher the commercial concession making the higher rents less impressive than they first appear.

Will there be a real recovery in 2011?

Despite GDP becoming positive again in 2010 and the office market being more active than was expected a year previously, **the outlook for 2011** is still uncertain as fundamental economic factors remain fragile.

SMEs will be very vigilant and will probably continue behaving in a way that will give them **flexibility** in their response to business assignments (for example by hiring temporary staff or contractors).

So they are more likely to reorganise existing premises and take local extensions than move into bigger premises. In general, the decisions of SMEs, more than any others, will always be closely linked to the economic climate.

By contrast, the real estate needs of **large groups** are still high and should result in moves in the months ahead. Moreover, mergers and acquisitions, which were scarce in 2010, may reappear in 2011 leading to property consolidation.

The public sector is expected to **return to the market** materializing strategies to cut overheads that were initiated several years ago in the government's *Révision Générale des Politiques Publiques* that involved the remodelling of several ministries and public services entities.

Even if the main factor driving demand remains reducing real estate costs, **certain businesses are anticipating recruitment** and are already looking for more space or more efficient premises where they can accommodate more staff. We are also observing that certain businesses wish to return to Paris or the Inner Rim of Paris in order to retain and/or recruit high-level managers.

Despite uncertainty, these elements indicate that take-up could outstrip 2010's figure and stand in a range from **2.3 to 2.5 million sq. m**.

The **supply of space** will tend to be **stable**, with a vacancy rate in the Paris region of about 7%, albeit with variations by sector.

Generally speaking, **good quality premises** will be increasingly scarce as transactions proceed. Pressure on good products is already tangible in some sectors and will get greater in the months ahead because speculative development is an exceptional occurrence. In theory, supply in the city of **Paris** will fall. In some market segments, a shortage of products will be felt, for example good quality medium-sized units and prime buildings will be virtually absent. In peripheral markets, occupiers will still have a choice of space even though the supply of quality space is becoming restricted and the location of the site with respect to public transport is decisive.

To summarise, **changes in available** supply will depend on the **behaviour of owners** who will decide whether to put buildings back on the market once they are vacated by their tenants or to withdraw the building from the market for renovation or remodelling thereby postponing their availability. Improvement works will become more and more inevitable as the next deadline of the environmental measures from Grenelle 2 approaches.

The growing pressure on good quality products, particularly prime premises or ones in Paris could have **an impact on rents pushing headline rents up**. However, this upward pressure will only **affect a niche market**. In a time of economic uncertainty and where there is still competition, rental values **will remain stable or even fall**.

Commercial concessions may shrink in certain markets but will probably remain considerable in most markets. Such concessions are the way landlords can adjust the rental burden without lowering headline rents.

The retail market

Source: Extracts from the CNCC (French national council of shopping centres) report

Economic activity

The 2010 index for the number of visitors to shopping centres (base 100 = 2009) was 98.72 for a turnover of 100.7. Visits therefore fell 1.3% at the end of December 2010, following on from 2009 when the index fell 3.7%. Over the year, however, there was an upward trend and visitor numbers are expected to return to balanced levels in 2011.

After something of a slump in 2009, we are seeing an adjustment in 2010.

This phenomenon is reflected in a larger conversion rate: the consumer's average basket continues to grow, despite the fact that both household and business confidence continue to fluctuate.

It should be pointed out that the fall in visits is the result of a rationalisation of journeys. Sales figures, however, have been maintained, with consumers organising their trips and grouping purchases. Several reasons can be suggested for this: financial (cost of petrol), environmental awareness, and restructuring of consumers' leisure time.

French economic growth (by value) in 2010 has, for the moment, been put at 2.2% (see 2011 draft finance bill), whilst in 2009 there was a fall of 2.1% (INSEE).

The economic activity of shopping centres has registered a rise in sales of 0.7%, reflecting an end to the recession.

Since the second half of the year, the activity of shopping centres has proved the sector's capacity to get over the recession.

With a depressed environment at the start of the year, the winter sales took place against an unstable economic backdrop. However, from May 2010 onwards, shopping centres reversed the trend, and aggregate figures to the end of September show a progression in activity of 1.1%, with this trend set to continue for the rest of the year, despite the industrial action of the autumn (fuel shortages) and December's bad weather.

The sectors which progressed the most are clothes and accessories, health & beauty and food & catering services. These three sectors alone account for practically two thirds of the market.

The symbolic importance of price remains paramount: the consumer is looking for a good deal and is still buying more out of necessity than for pleasure.

It is to be noted that in 2010 there was an upturn in activity for the whole of the shopping centres sector.

Centres serving several communes registered the best performance (+1.4%), followed by regional centres (+0.6%). Only those in historic town centres (-0.1%) registered a fall.

With visitor numbers stabilising, shopping centres have been rethought, refurbished and extended; given the environmental and societal issues of sustainable development, the new commercial sites are now perceived as social areas, which respect environmental and social criteria, making this business model sustainable.

Property transactions

Exceptional growth in investment volumes giving second best year after 2007; share of retail property still growing.

Retail property registered very good performances in 2010, which was the second best year in terms of investment volumes. The market benefited from a clear improvement in liquidity, with investors returning with more appetite.

The investment volume for all types of shops amounted to €3.7 billion in 2010. The share of retail property has grown consistently, from 11% in 2008 to 25% in 2009, to 34% in 2010.

Several factors have contributed to this performance:

- the significant improvement in liquidity and volumes invested in shopping centres in relation to the previous year. Investment volumes rose 86% in relation to 2009, to €2.7 billion;
- the return of investors to core products, *i.e.* secured products such as retail assets;
- the return of investors to operations of over €100 million;
- historically low rates and more accessible debt levels for investors.

However, due to a lack of opportunities, property outsourcing operations, which were a promising potential niche in 2007, were unable to benefit from the improvement in this liquidity. They are reported to represent no more than 7% of total volumes invested.

Over the last two years, shopping centres have confirmed their dominance in the four categories of retail property investment, with, on average, 70% of the total volume invested in the last two years.

Investment in ground-floor shops, generally under-valued (due to the market's lack of transparency) saw its proportion rise from 9% in 2009 to 13% in 2010, whilst sale and leasebacks registered an even larger loss in market share, dropping from 14% to 7%. Retail parks for their part saw their proportion continue to fall, from 9% in 2009 to 7% in 2010.

Shopping centres

A record year in terms of the volumes of investment in shopping centres, but the main trend is still the intrinsic lack of liquidity in this investment category, since in general the owners do not want to sell.

There was a huge growth in volume invested, at €2.7 billion in 2010 for shopping centres alone, an increase of 86% in volume compared with 2009, which itself registered an increase of 140% compared with 2008. This massive growth in volume was not however accompanied by a corresponding growth in liquidity. In fact, quite the opposite. Whilst the 29 transactions registered represent an increase in number of 7% in relation to 2009, the number of centres transacted fell by 13% to 34, compared with 39 centres in 2009.

The statistics show that it is now possible to finance large-scale acquisitions, and the average value per centre transacted went from €37 million to €80 million in 2010. This situation also shows that investors' interest in French shopping centres has not abated. That said, the sale of Cap 300 for €450 million in May had an effect on the average volume per centre. In the first half-year, the average volume per centre was €100 million, whilst in the second half, the market's liquidity increased, with volume rising from €1.108 billion to €1.619 billion (+46%), the average volume per centre falling to €70 million for the second half and €80 million for the whole year.

We estimate that shopping centres accounted for about 24.5% of total investment in institutional property products in 2010, compared with 17.5% at the end of 2009.

The number of transactions carried out within the highest range of net initial rates (TIN), *i.e.* between 7.1% and 8%, fell from 31% of total transactions to 15% in 2010. Conversely, the proportion of centres transacted under the 6% level increased spectacularly, rising from 21% (with no centre having been transacted at a TIN of below 5% in 2009) to 43% of the total, including two centres transacted at a TIN below 5%.

Interestingly, every year from 2005 to 2009 was dominated by a range of rates spanning 100 basis points, and it was always the 6.1% to 7% range which represented on average over 40% of all transactions. The only exception before 2009 was 2008, when the range 5.1 to 6% was predominant.

In 2010, two ranges were predominant: 5.1% to 6% and 6.1% to 7%, with shares of 35% and 38% respectively. This clearly shows the trend for falling rates registered over the past year.

The analysis of shopping centre transactions by size is a very clear example of investors' preference for quality products, as shown by the fall in transacted rates for regional centres, whose average rates went from 6% in 2009 to 5.26% in 2010 (*i.e.* a fall of 12.9%). At the other extreme, their search for added value is apparent, as shown by the fall in average rates transacted for small centres, often considered under-valued: their transacted rates went from 6.8% on average to 6.1% in 2010 (*i.e.* a fall of some 9.9% over a year).

The average rates for large centres remained particularly stable at 6.5% over the last two years.

It is interesting to note that the differential between the average rates of large and small centres, which in 2009 reflected the dominant market opinion that the larger the centre, the weaker the rate, and which was 25 basis points in favour of the large centres (6.53% against 6.78% for the small centres), was inverted in 2010, when the small centres registered rates of 43 basis points lower than those of the large centres (6.11% for the small centres against 6.54% for the large ones).

Retail Parks

Investors re-found their appetite in 2010 for this asset class after two years of scepticism. Even though concerns remain, certain French and foreign institutional investors have gone back to including retail parks in their acquisition strategies.

Despite a fall in rates of return, this class of assets offers investors an attractive risk premium in comparison with historically low key interest rates.

However, investors are now facing an increasing scarcity of products for sale, especially when it comes to "core", large-scale products (over €20 million).

This new interest from institutional investors has helped stop the downward spiral of investment volumes registered since the end of 2007.

After having fallen by €675 million in 2007 to €190 million in 2009, commitments which materialised at the end of December 2010 have shown some promising performances, amounting to almost €290 million, a rise in excess of 50% over a year.

Despite this growth, investment volumes are still low compared with 2006 and 2007, and are only just higher than the level reached in 2005.

In addition, this asset class has seen a continuation of its reduction in market share, falling from 24% in 2008 to 9% in 2009 and 8% in 2010.

In general terms, the market has been characterised by:

- a return of institutional investors, mainly French, to this asset class, facing a lack of products on the other segments;
- a lack of products for sale; assets larger than €20 million are rare on the market; the existing offer of new retail parks is not enough to give the market liquidity; the share of specialist medium sized units increased in 2010 in relation to the so-called NPAC structured products;

- hesitancy on the part of owners wondering whether to carry out future arbitrage operations and preferring to wait for the fall in yield rates to accentuate before launching a sale process;
- a much faster pace in the second half (almost 2/3 of commitments) but which is still not enough to sustain strong liquidity;
- an economic environment which is gradually improving and brand names which are starting to develop again on the outskirts, having stopped everything two years ago.

Whilst transactions for structured products registered rates of between 7.25% and 8% in 2009, 2010 saw the return of yield rates below the 7% mark. Thanks to the increased appetite of investors, the upward trend which started two years ago has been inverted. This enthusiasm has led to a compression of yield rates on "secondary" as well as "prime" products.

Private and institutional investors have clearly returned to this asset class in order to benefit from the attractive risk premium, which was in the region of 350 basis points in relation to the OAT at the end of 2009, the same level as in 2004.

The market: 2010 results and outlook for 2011

Changing demand

Owing to uncertainties about the economic environment, several players have reduced their real estate costs, leading some stores to open smaller formats promoting their core collections (New Look, La Grande Récré). Improving existing assets has also remained a priority for several high street names, a strategy which has involved simple modifications rather than the creation of new concepts. There are several recent examples of makeovers, in both clothes and accessories (Benetton flagship store, place de l'Opéra) and other sectors of activity (Carrefour Planet d'Ecully). Whilst the rationalisation strategies observed in 2009 have continued into the last few months, the French market has still had some life in it. The new stores and projects of new arrivals (Jack Wolfskin, Kiko, Urban Outfitters) and the rapid expansion of several high street names which have only recently arrived in France (Apple, Desigual, Fossil, Tally Weijl) have even confirmed its status as an attractive destination. In addition, certain large French or foreign groups, such as New Yorker, Inditex or H&M., have recently resumed or accelerated their expansion. Rather than a total and general acceleration of activity benefiting the whole of the market, the main movements of 2010 were first and foremost a reflection of the stores' keen appetite for prime sites and locations. In the wake of the recession, the chains are keen to limit the risks associated with their moves to open new shops in what is a fragile recovery, and have thus sought to seize the latest opportunities available on these markets.

Changes in supply

Demand has evolved in such a way as to increase the attractiveness of prime sites and locations, the supply of which has been limited by the fact that several groups have accelerated their development. Whilst the chains could still benefit from limited sales of assets linked to the difficulties of certain groups, the number of opportunities is tending to fall. The rapid absorption of supply, linked to the rebound in demand from the chain-stores, is not expected to drop off, due to the slowdown in the rate at which new retail assets are being opened. In an economic environment which is certainly better than 2009 but which is still fragile, several projects have been postponed as a result of finance or sale difficulties. Contrasting with the sudden stop seen in several European countries, the rate at which new stores are being opened in France has remained high, with the opening of regional-sized retail parks and shopping centres. This flow of new retail space is being added to what is an already significant stock on the French market, contributing to the risk of over-supply and that chain-stores' revenue will become diluted. The over-supply risk seems all the more real because the new retail facilities often have the same characteristics, despite a real qualitative leap in their design, illustrated in 2010 by new HQE certifications (Okabé, Parc des Moulins).

Changing rental values

The continued attraction of prime locations explains the general resistance of rental values for strategic sites in Ile-de-France or the provinces where brands need to be present and supply remains limited. With the exception of the best-established regional centres in Ile-de-France, slight downward pressure has continued to be applied to shopping centres, in part linked to the reduction in sale prices. Values for new centres have also fallen as a result of the difficult start for several recent projects. There has been a hardening of negotiating conditions, reflecting the increasing determination of certain chains, still fragile in the wake of the recession, to make the most of a more favourable balance of power. In this context, the lessors have been forced to award substantial supportive measures in order to limit periods during which their assets are vacant and guarantee the successful marketing of their project. In addition to progressive rents, more flexibility regarding commitment periods, and participation in tenants' refurbishment costs, the lessors have also been able to grant environment clauses aimed at reassuring chains about the future profitability of their facilities. The size of affordability ratios should offer new renegotiation opportunities to chains in 2011. However, changes in rental values will continue to highlight the dichotomy of the French market. The most significant falls will affect the secondary sites and locations which are suffering from a certain lack of interest on the part of the chains and a rise in vacancy rates due, in particular, to the difficulties of independent retailers.

Outlook

Economic uncertainties and the potential deterioration of the labour environment could encourage the French to further rationalise their spending over the next few months. Their decisions will be to the detriment of the products they consider to be less important and more expensive, and those which will suffer from the end of the stimulus measures. In an environment made all the more competitive by the e-commerce boom, adapting the commercial offer to changes in consumer habits will continue to be one of the major concerns of the main retail property players in 2011. However, beyond the buzz created by a few new concepts, changes in consumer habits will not undermine certain fundamentals, a reminder of the importance, for the success of a project, of a few well-identified criteria. In addition to accessibility and a coherent offer, the characteristics of a retail site's environment appear to be vital for its long-term future, as illustrated by the recent postponement of centres whose viability did not appear certain, given the presence, in the same zone, of multiple competing retail facilities. Coming out of a recession which has increased retail groups' caution and consumer desire for value, the best established sites will continue to do well, accentuating the polarisation of the French retail property market.

In 2010, M.R.M. generated a consolidated turnover of €25.3 million, 50% of which from gross rental revenues from office properties and 50% from retail complexes. The 16.6% fall in relation to the consolidated revenue of 2009 essentially reflects the significant program of disposals carried out in 2010. On a like-for-like basis, the fall in 2010 revenue was limited to 2.5% compared with 2009.

Revenue from offices fell 3.1%, amongst other factors linked to the rent revisions in two leases in Rueil-Malmaison and Puteaux, following their early renewal for a fixed period of seven years, and to tenant movements. The vacation of certain offices, including those in the Solis building in Les Ulis in May 2010, was only partially offset by new leases coming into effect.

Revenue from retail was down 2.0%. This can be explained by the negative effect of the indexation of rents over the year and the vacation of buildings, notably in Tours for the Galerie du Palais refurbishment. These impacts were only partially offset by new leases coming into effect.

1.4.3 The Group's analysis of market trends

A resilient portfolio

The crisis of 2009 has had an impact on the valuation of the portfolio of assets held by M.R.M. in that asset values continue to fall, not having secured rental revenues. However, thanks to M.R.M.'s business model the group is able to resist the fall in the value of its asset portfolio. This is due to three main factors:

- the asset portfolio consisting of retail properties with long-term rental revenues on account of the quality of their location and commercial lease regulations is an asset class which is naturally less affected by real estate cycles;
- the asset management activity for certain properties in the portfolio with value-added opportunities help make it possible to continue creating value, even in a less favourable market;
- M.R.M.'s office assets are mainly located in Paris and in the markets surrounding the Paris region. The average rent of the stabilised portfolio, of €258/sqm, provide protection against a significant fall in rental income.

These factors have enabled M.R.M. to report a slight rise in the valuation of its portfolio at the end of 2010 to +0.6% on a comparable scope of consolidation; the rise in the value of stabilised assets offset the loss of value on certain assets with value-added opportunities.

Furthermore, the maintenance of interest rate at historically low levels during 2010 created a favourable environment in M.R.M. whose entire debt is at variable rates. The beginning of 2011 has marked a change in the accommodating monetary policies undertaken by central banks, with notably the ECB increasing its official rate for the first time. However, a limited rise in interest rates is expected in a context of a still fragile economic recovery.

1.4.4 Stock market environment

After an uncertain start to 2010 in the wake of the euphoria of 2009, in June there was a sudden upturn in listed real estate which culminated in October, followed by a plateau until the end of the year. The Euronext IEIF SIIC France total performance index rose 13% over the year and the larger IEIF *Immobilier France* index, which includes non-SIIC property groups and real estate services companies, rose 16%, surpassing the CAC 40 by 12%.

After the upturn in the property compartment of the Paris Stock Market registered in 2009, 2010 was a year of consolidation.

At the end of 2008, the Net Asset Value of listed real estate was significantly undervalued. This situation was gradually corrected during the course of 2009. At the end of 2010, the SIICs were on average valued at their Net asset Value.

There are 45 SIIC listed real estate companies, representing a stock market capitalisation at the end of 2010 of €47.4 billion, *i.e.* 3.3% of the market's capitalisation. The volume of transactions on the SIIC market was up to €26.4 billion in 2010, against €22.9 billion in 2009.

1.4.5 M.R.M.'s asset portfolio as of 31 December 2010

As of 31 December 2010, the M.R.M. Group held a portfolio of mixed property assets combining office and retail properties, with a total value excluding transfer taxes of €339.7 million, compared with €491.8 million on 31 December 2009. This reduction reflects disposals made by the group in 2010 for a total of €151 million (including €2.5 million under certain conditions).

At the end of 2010 the assets can be broken down as 87,741 sqm of office properties and 84,215 sqm of retail properties.

Subsequent to the takeover of M.R.M. by Dynamique Bureaux and its conversion into a listed investment company in the second half of 2007, the Group's asset portfolio was built up in three phases:

- Dynamique Bureaux/M.R.M. merger.

  A merger contribution by Dynamique Bureaux appraised at €162 million excluding transfer taxes as of 31 August 2007.

  The portfolio then contained nine office property assets representing a total area of 53,650 sqm. The transaction was approved in M.R.M.'s Combined General Meeting of 12 December 2007, retroactive to 1 September 2007;
- Contribution of Commerces Rendement to M.R.M.

  A contribution from Commerces Rendement appraised at €143 million excluding transfer taxes as of 31 August 2007.

  There were 19 retail property assets in the portfolio for a total area of 75,582 sqm. The transaction was approved in M.R.M.'s Combined General Meeting of 12 December 2007;
- Acquisitions and disposals by M.R.M.

  Acquisitions from 1 September 2007 to 31 December 2007: office buildings acquired in September and October 2007 worth €65.5 million, retail property assets acquired in September 2007 for €3.8 million, and mixed office and retail space acquired in November and December 2007 for €80.4 million (purchase price excluding transfer taxes).

  Acquisitions made in 2008: an office building acquired in April 2008 for €6 million, retail property (two garden centres and five restaurant properties) acquired in May and July 2008, for €11.3 million (acquisition price excluding transfer taxes).

  Acquisitions made in 2009: no acquisitions were made in 2009.

  Dispositions made in 2009: three retail properties sold between February and September 2009 for a total of €22.7 million excluding transfer taxes.

  Acquisitions made in 2010: a 1,000 sqm lot.

  Dispositions made in 2010: the premises of four Pizza Hut restaurants in the Paris region, two retail assets (one in Brétigny-sur-Orge and the other in Angoulême), three office properties (located in Nanterre, Clichy-la-Garenne and Levallois-Perret) and the Marques Avenue A6 outlet centre in Corbeil-Essonnes for a total of €151 million excluding transfer taxes (of which €2.5 million conditional).

A balanced mixed portfolio

	Data as of 12/31/2010	Data as of 12/31/2009
Value excl. transfer taxes:	**€340m**	**€492m**
	-30.9% vs. 12/31/2009	-8.4% vs. 12/31/08
	+0.6% excl effect of dispositions	-4.4% excl effect of dispositions
Total area:	**171,956 sqm**	**210,436 sqm**
Breakdown in value:	58% offices/42% retail	59% offices/41% retail
	64% stabilised/ 36% with value-added opportunities	75% stabilised/ 25% with value-added opportunities

The assets break down as 64% stabilised properties, compared to 75% at end December 2009, and 36% properties with value-added opportunities, compared with 25% at end December 2009. This is the result of disposals of assets which particularly affected stabilised assets whose upgrading programmes had been concluded.

Office portfolio

Office property assets are located in parks of mixed office and light industrial spaces in the Paris region. The Group's policy is to focus on the Paris region, which accounts for the great majority of business in this segment, but without ruling out other opportunities.

The portfolio of stabilised office assets accounts for a total surface area of 32,577 sqm and a total value of €116.6 million excluding transfer taxes. Its occupation rate is very high at 95%. During the course of 2010, five leases [(1)] were signed on the stabilised offices for an annual rent of €0.4 million. The stabilised office portfolio represents net annualised rent [(2)] of 8.4 million as of 1 January 2011, up 5.6% in relation to 1 January 2010. This development reflects the positive effect of the indexation of rents and the signing of new leases.

The portfolio of offices being upgraded, with a total surface area of 55,164 sqm and a total value of €80.8 million excluding transfer taxes, is 15% occupied and therefore has a high level of potential in terms of marketing and additional rental. Refurbishment programmes underway represent provisional investment of €23.0 million for 2011 and beyond. In total, after value enhancement, the expected net rent [(3)] is €10.8 million per year (compared with €1.2 million at present). In 2010, €4.6 million was invested in programmes for offices with value-added opportunities. These included the conclusion of phase I of the refurbishment of Nova, a 10,800 sqm property located in La Garenne-Colombes (92), which is "*NF Bâtiment Tertiaires*" certified, part of the HQE planning and design certification system.

During 2010, 13 leases were signed for €1.8 million. The occupation rate for the portfolio of offices with value-added opportunities was 15% as of 31 December 2010.

Office dispositions in 2010 totalled €88.7 million excluding transfer taxes for an overall area of some 21,400 sqm. This relates to three buildings located in Nanterre, Clichy-la-Garenne and Levallois-Perret.

► BREAKDOWN OF OFFICE PROPERTY PORTFOLIO, STABILISED AND WITH VALUE-ADDED OPPORTUNITIES (LOCATION, AREA)

Office	Location	Total Area (in sqm)
Stabilised Offices		
Paris 12th arrondissement (75) – 43 rue de la Brêche-aux-Loups	Paris	2,872
Boulogne-Billancourt (92) – 3, 8, 8 bis, 10 bis rue Escudier	Île-de-France	2,877
Paris 9th arrondissement (75) – 5 rue Cadet	Paris	2,318
Paris 14th arrondissement (75) – 13 rue Niepce	Paris	1,667
Rueil-Malmaison (92) – 45-53 avenue Paul-Doumer	Île-de-France	4,562
Puteaux (92) – 3-5 quai de Dion-Bouton	Île-de-France	5,902
Paris 2nd arrondissement (75) – 12 rue de la Bourse	Paris	1,114
Carré Vélizy, Vélizy-Villacoublay (78) – 16-18 avenue Morane-Saulnier	Île-de-France	11,265
TOTAL STABILISED		32,577
Offices with value-added opportunities		
Delta, Rungis (94) – 3-5 rue du Pont-des-Halles	Île-de-France	8,739
Nova, La Garenne-Colombes (92) – 71 boulevard National	Île-de-France	10,787
Cytéo, Rueil-Malmaison (92) – 147 avenue Paul-Doumer	Île-de-France	4,025
Cap Cergy, Cergy-Pontoise (95) – 4-6 rue des Chauffours	Île-de-France	12,915
Solis, Les Ulis (91) – ZA Courtaboeuf – 12 avenue de l'Océanie	Île-de-France	10,728
Urban, Montreuil (93) – 14-20 boulevard de Chanzy	Île-de-France	7,970
TOTAL WITH VALUE-ADDED OPPORTUNITIES		55,164
TOTAL OFFICES		**87,741**

(1) New leases or renewals of leases at increased values.
(2) Excl. taxes, charges, rent-free periods and improvements.
(3) Excl. taxes, charges and indexation.

Stabilised Offices	12/31/2010	12/31/2009
Portfolio value (1)	€116.6m	€199.9m
Total area	32,577 sqm	53,817 sqm
Occupancy rate (2)	95%	95%
Net annualised rent (3)	€8.4m	€15.0m
Projected Capex	€0.4m	€1.0m

(1) Value excl. transfer taxes.
(2) Calculated on the basis of area.
(3) Excl. taxes, charges, rent-free periods and improvements.

Offices with value-added opportunities	12/31/2010	12/31/2009
Portfolio value (1)	€80.8m	€89.2m
Total area	55,164 sqm	55,126 sqm
Occupancy rate (2)	15%	20%
Projected Capex	€23.0m (3)	€34.2m (3)
Net annualised rent (4)		
• current	€1.2m	€1.3m
• expected (5)	€10.8m	€10.2m

(1) Value excl. transfer taxes.
(2) Calculated on the basis of area.
(3) Potential investments 2010 and beyond.
(4) Excl. taxes, charges, rent-free periods and improvements plus charges for buildings undergoing restructuring.
(5) Excl. taxes, charges and indexation.

► LEASE MATURITIES OF MAIN TENANTS

Tenants	% of office property rents	% of Group rents	Type of Lease/Maturity
Tenant no. 1 (location 1)	11%	6%	7-9 year lease/Dec. 2018
Tenant no. 1 (location 2)	11%	6%	7-9 year lease/Dec. 2018
Tenant no. 2	7%	4%	6-9 year lease/Sept. 2016
Tenant no. 3	4%	2%	6-9-12 year lease/Jan. 2021
Tenant no. 4	4%	2%	6-9-12 year lease/July 2021
Tenant no. 5	4%	2%	6-9 year lease/May 2016
Tenant no. 6	4%	2%	3-6-9 year lease/May 2017
Tenant no. 7	3%	2%	3-6-9 year lease/June 2018
Tenant no. 8	3%	1%	6-9 year lease/June 2017
Tenant no. 9	2%	1%	3-6-9 year lease/Oct. 2012
Tenant no. 10	2%	1%	9 year lease/Aug. 2018
TOTAL RENTS OF TOP 10 TENANTS	**55%**	**29%**	
Annual Rents of Office Properties	***100%***	***52%***	

Retail property portfolio

The Group's retail properties are located in the Paris region and in large cities in the provinces. The type of assets in this category is highly diversified and consists of shopping centres and malls, shops on the ground floor of buildings, independent suburban retail premises or premises in retail parks. The large majority of the 142 tenants in the retail units are national and international brands. These retail groups represent 84% of the rents received.

As of 1 January 2011, the portfolio of stabilised retail assets represents an area of 70,292 sqm and a value of €102 million excluding transfer taxes. It also has a very high occupation rate of 94%. During 2010, 8 leases (1) were signed for an annual rent of €0.5 million.

Annualised net rents (2) on the stabilised retail properties portfolio came to €6.7 million as of 1 January 2011.

The portfolio of retail assets with value-added opportunities, a total area of 13,923 sqm, is 84% occupied. The 2 assets making up the retail property portfolio with value-added opportunities are already being operated and have significant potential for value enhancement. In 2010, investments of €4.3 million essentially concerned the partial refurbishment of the Galerie du Palais, a 7,000 sqm shopping centre located in Tours (37) town centre. A first phase of work covering an area of 2,000 sqm has been concluded. Two retail spaces located in the front part of the arcade and the façade have been completely modernised and opened to the public. In December 2010 in the Carrefour Ecole-Valentin de Besançon (25) shopping centre, M.R.M. acquired for €2.4 million excluding transfer taxes premises of 1,100 sqm let to Cafétéria Casino. The Group now owns all of the arcade next to the Carrefour hypermarket. This is an area of 4,000 sqm organised in 32 fully let shops.

In 2010, the retail property portfolio with value-added opportunities received 7 signatures on leases (3) for an annual rent of €0.5 million. Net annualised rents were (2) €1.8 million as of 1 January 2011.

Projected investments for restructuring and refurbishing from 2010 amount to €15.7 million. Net annualised rent (2), currently at €1.8 million, is expected to reach (4) €4.1 million. Retail dispositions in 2010 totalled €62.3 million excluding transfer taxes (of which €2.5 million conditional) for an overall area of some 18,600 sqm. They concerned the premises of four Pizza Hut restaurants in the Paris region, two retail assets (one in Brétigny-sur-Orge and the other in Angoulême), and the Marques Avenue A6 outlet centre in Corbeil-Essonnes.

(1) New leases or renewals of leases at increased values.

(2) Excl. taxes, charges, rent-free periods and improvements.

(3) New leases or renewals of leases at increased values.

(4) Excl. taxes, charges and indexation.

► BREAKDOWN OF RETAIL PROPERTY PORTFOLIO, STABILISED AND WITH VALUE-ADDED OPPORTUNITIES (LOCATION, AREA)

Retail	Type	Location	Area (in sqm)
Stabilised Retail Assets			
Créteil (94) – Rue de la Haute-Quinte	Retail Park	Île-de-France	600
Pierrelaye (95) – 234 boulevard du Havre	Retail Park	Île-de-France	1,599
Montigny-lès-Cormeilles (95) – 42 boulevard Victor-Bordier	Retail Park	Île-de-France	815
Coignières (78) – 134 route Nationale-10	Retail Park	Île-de-France	1,200
Claye-Souilly (77) – ZA Les Sablons	Retail Park	Île-de-France	1,180
Barjouville (28) – ZA La Torche	Retail Park	Chartres	450
Moulins-lès-Metz (57) – Lieu-dit Haut-Gazon	Retail Park	Metz	665
Vineuil (41) – 213-219 rue Lavoisier	Retail Park	Blois	400
Chambray-les-Tours (37) – ZA Le Télégraphe	Retail Park	Tours	800
Chambray-les-Tours (37) – ZA Le Télégraphe	Retail Park	Tours	1,350
Sud Canal, Saint-Quentin-en-Yvelines (78) – 41 boulevard Vauban, Montigny-le-Bretonneux	Shopping mall	Île-de-France	11,619
Passage de la Réunion, Mulhouse (68) – 25 place de la Réunion	Shopping mall	Mulhouse	6,018
Allonnes (72) – ZAC du Vivier – Route de la Bérardière	Retail Park	Le Mans	9,001
Reims (51) – 2-10 rue de l'Étape	Ground floor	Reims	2,470
Les Halles, Amiens (80) – Place Maurice-Vast	Shopping centre	Amiens	7,484
Brie-Comte-Robert (77) – Gamm Vert – ZI de La Haye-Passart	ISRP	Île-de-France	1,122
Nozay (91) – Gamm Vert – ZA de la Butte	ISRP	Île-de-France	2,176
Cour Cheverny (41) – Gamm Vert – 24 boulevard Carnot	ISRP	Centre	851
Montoire-sur-le-Loir (41) – Gamm Vert – 23 rue de la Paix	ISRP	Centre	826
Montrichard (41) – Gamm Vert – Quai Jean-Bart	ISRP	Centre	494
Onzain (41) – Gamm Vert – 10 rue Lecoq	ISRP	Centre	542
Selles-sur-Cher (41) – Gamm Vert – 2 place Charles-de-Gaulle	ISRP	Centre	450
Saint-Aignan (41) – Gamm Vert – 2 rue des Vignes	ISRP	Centre	590
Vierzon (18) – Gamm Vert – 8 rue Étienne-Dolet	ISRP	Centre	683
Salbris (41) – Gamm Vert – Avenue de la Résistance	ISRP	Centre	1,888
Mer (41) – Gamm Vert – 21 route d'Orléans	ISRP	Centre	545
Mer (41) – Gamm Vert – Portes de Chambord	ISRP	Centre	9,712
Lamotte-Beuvron (41) – Gamm Vert – 9-11 avenue de l'Hôtel-de-Ville	ISRP	Centre	1,539
Romorantin (41) – Gamm Vert – Avenue de Villefranche	ISRP	Centre	3,223
TOTAL STABILISED			70,292
Retail assets with value-added opportunities			
Galerie du Palais, Tours (37) – 19 place Jean-Jaurès	Shopping mall	Tours	6,965
École-Valentin, Besançon (25) – 6 rue Chatillon	Shopping mall	Besançon	6,958
TOTAL WITH VALUE-ADDED OPPORTUNITIES			13,923
TOTAL			**84,215**

ISRP: independent suburban retail property.

Stabilised Retail Assets	12/31/2010	12/31/2009
Portfolio value [1]	€102.0m	€166.1m
Total area	70,292 sqm	88,042 sqm
Location	71% in the provinces	51% in the provinces
	29% in the Paris area	49% in the Paris area
Occupancy rate [2]	94%	95%
Net annualised rent [3]	€6.7m	€11.0m
Projected Capex	€0.7m	€4.7m
Overview of tenants:		
• number of tenants	100	168
• proportion of national and international brands	84% of received rents (Gamm Vert, Bricorama, Go Sport, Gemo, Besson Chaussures, ED, Carrefour Market, King Jouets, Interior's)	86% of received rents (Gamm Vert, Pizza Hut, Bricorama, Go Sport, Cultura, Besson Chaussures, ED, Carrefour Market, King Jouets, Interior's)

(1) Value excl. transfer taxes.
(2) Calculated on the basis of area.
(3) Excl. taxes, charges, rent-free periods and improvements.

Retail assets with value-added opportunities	12/31/2010	12/31/2009
Portfolio value [1]	€40.4m	€36.6m
Total area	13,923 sqm	13,451 sqm
Location	Provincial	Provincial
Occupancy rate [2]	84%	87%
Projected Capex	€15.7m [3]	€20m [3]
Net annualised rent [4]:		
• current	€1.8m	€1.5m
• expected [5]	€4.1m	€4.2m

(1) Value excl. transfer taxes.
(2) Calculated on the basis of area.
(3) Investments 2010 and beyond.
(4) Excl. taxes, charges, rent-free periods and improvements plus charges for buildings undergoing restructuring.
(5) Excl. taxes, charges and indexation.

► LEASE MATURITIES OF MAIN TENANTS

Tenants	% of retail rents	% of Group rents	Type of Lease/Maturity
Tenant no. 1	12%	6%	9 year lease/Dec. 2016
Tenant no. 2	7%	3%	3-6-9-12 year lease/Nov. 2016
Tenant no. 3	4%	2%	9 year lease/tacit renewal Aug. 2017
Tenant no. 4	2%	1%	6-9 year lease/Oct. 2014
Tenant no. 5	2%	1%	9 year lease/Jan. 2015
Tenant no. 6	2%	1%	12 year lease/Sept. 2020
Tenant no. 7	2%	1%	9 year lease/Dec. 2011
Tenant no. 8	2%	1%	9 year lease/Oct. 2015
Tenant no. 9	2%	1%	9 year lease/Jul. 2015
Tenant no. 10	2%	1%	9 year lease/Jan. 2016
TOTAL RENTS OF TOP 10 TENANTS	**38%**	**18%**	
Annual rents of retail properties	***100%***	***48%***	

► PORTFOLIO OVERVIEW AS OF 12/31/2010

	Office		Retail		
	Stabilised	With value-added opportunities	Stabilised	With value-added opportunities	Total
Area	32,577 sqm	55,164 sqm	70,292 sqm	13,923 sqm	171,956 sqm
Appraisal value	€116.6m	€80.8m	€102.0m	€40.4m	€339.7m
Occupancy rate	95%	15%	94%	84%	68%
Net annualised rent (1)	€8.4m	€1.2m	€6.7m	€1.8m	€18.1m
Projected Capex (2)	€0.4m	€23.0m	€0.7m	€15.7m	€39.8m
Projected net rents (1) (3) after restructuring programmes	€8.6m	€10.8m	€7.6m	€4.1m	€31.0m

(1) As of 1 January 2011, excl. rent-free periods, improvements and charges for buildings undergoing restructuring.
(2) Potential investments 2011 and beyond.
(3) Excluding indexation.

1.4.6 Operations since 31 December 2010 and ongoing projects

On 17 February 2011, the Group signed an amendment to its credit agreement of 28 September 2007. This agreement aimed to restructure the credit facility expiring on 27 September 2011 and which totalled €83.6 million as of 31 December 2010. This credit facility is backed by a portfolio of 5 office properties. Following this agreement, 2 credit lines were arranged. The first, a €49.5 million credit line, will mature at the end of 2013. The second, for an amount of €10 million, of which €4 million was repaid at the time of signature and the remaining €6 million will be repaid in instalments spread over 3 years. This agreement, which involves a plan to dispose of the 5 properties by the end of 2013, includes a share for the bank in the proceeds from the sales. As some of these properties require certain value-enhancing work, the agreement provides for the provision of an additional credit line. This will contribute to the financing of the planned work, in particular the second phase of the redevelopment of the Nova building in La Garenne Colombes.

On 14 April 2011, the Group signed with its bank partner an amendment to its credit line falling due on 20 April 2011 and totalling €4.4 million as of 31 December 2010. This amendment aimed at postponing the maturity to 30 December 2011.

Otherwise, on 27 April 2011, a portfolio of 5 retail assets was sold for a total of €5.4 million.

1.4.7 Major investments carried out by the Company over the past three years

Office	Location	Area (in sqm)	Date of acquisition
Paris 2nd arrondissement (75) – 12 rue de la Bourse	Paris	1,114	24/04/2008
TOTAL		**1,114**	

The table above presents the M.R.M. Group's acquisitions in office assets over the last three years.

In 2010, €4.9 million was invested in office property, mainly in value-enhancement programmes (refurbishment and restructuring works).

Potential investments over the next few years come to €23.4 million, entirely devoted to value-enhancement programmes.

Retail	Location	Area (in sqm)	Date of acquisition
Gamm Vert Portfolio		***4,762***	
Lamotte-Beuvron (41) – 9-11 avenue de l'Hôtel-de-Ville	Centre	1,539	27/05/2008
Romorantin (41) – Avenue de Villefranche	Centre	3,223	27/05/2008
Pizza Hut Portfolio		***2,290***	
Corbeil-Essonnes (91) – Rue des granges	Île-de-France	409	30/07/2008
La Queue-en-Brie (94) – 4 rue André-Citroën – ZAC de la Croix Saint Nicolas	Île-de-France	453	30/07/2008
Lognes (77) – Boulevard du Courcerin	Île-de-France	432	30/07/2008
Maurepas (78) – 92 rue Jacques-Monod – ZA de Coignières	Île-de-France	568	30/07/2008
Plaisir (78) – 31 rue Francis-Carco – ZAC du Quartier de l'Aqueduc de l'Avre	Île-de-France	428	30/07/2008
TOTAL		**7,052**	

The table above presents M.R.M.'s investments in retail assets over the last three years. The portfolio of five restaurants operated under the Pizza Hut brand has since been disposed of, in February 2010 and December 2010.

In 2010, €6.2 million was invested in retail property, mainly in value-enhancement programmes (refurbishment and restructuring works).

Potential investments over the next few years come to €16.4 million, entirely devoted to value-enhancement programmes.

1.4.8 Strategy and outlook

After have successfully undertaken an adjustment plan during 2009 and 2010 comprising a significant programme of property disposals, the management of its banking facilities arriving at maturity, and the realisation of selective investments in the existing portfolio, the M.R.M. Group intends to benefit from the solid revenue base generated by stabilised office and retail properties and the value-enhancing potential of assets in the portfolio currently undergoing valuation.

The work on management of property assets will be continued both in the commercialisation of vacant premises, as well as that of the completion of the work on the restructure of certain properties, and notably of the Nova office building in La Garenne Colombes. The programmed investments over the next two financial years total €24 million. The Company anticipated in 2011 proceeding with the arbitrage of certain assets at maturity and to the sale of the Urban office building located in Montreuil, in its un-refurbished condition. The Company still plans, when market conditions permit, to raise capital on the financial markets in order to reduce its debt (loan to value ratio 71.6% as of 17 February 2011), to finance all investments on properties with value-added opportunities and to resume its development by seizing the opportunities which present themselves in both the office and retail sectors.

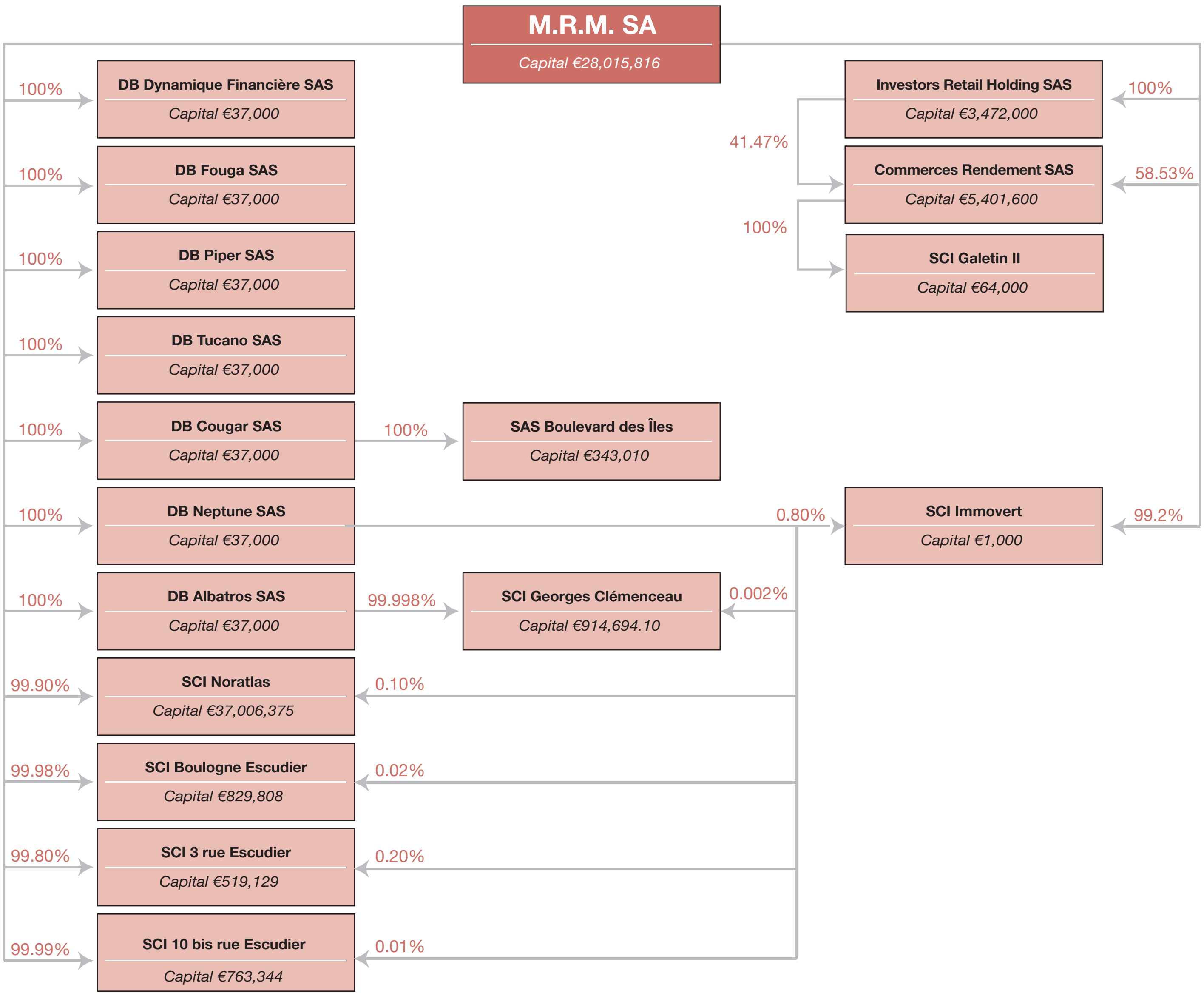
1.5 Group ownership structure

The list of companies in the scope of consolidation as of 31 December 2010 is on page 82 of this document. See 3.7. "Consolidated Financial Statements for the year ended 31 December 2010", Note 3.1. "List of consolidated companies" in the Notes to the financial statements.

Since 31 December 2010, the following modifications have taken place:

- on 23 January 2011, the simplified joint stock company Immomarque was dissolved without liquidation with assets universally transferred to Commerces Rendement;
- on 17 February 2011, the SCI company Noratlas carried out a capital increase of €37,005,375, from €1,000 to €37,006,375;
- on 17 February 2011, the SCI company of 3 rue Escudier in Boulogne Billancourt carried out a capital increase of €444,159, from €74,970 to €519,129;
- on 17 February 2011, the SCI company Boulogne Escudier carried out a capital increase of €753,008, from €76,800 to €829,808;
- on 17 February 2011, the SCI company of 10 rue Escudier in Boulogne Billancourt carried out a capital increase of €534,864, from €228,480 to €763,344.

At the date of this report, the Group ownership structure is as follows:



1.6 Group organisation

CB Richard Ellis Investors is an international real estate investment fund manager. Its assets under management [1] for investors worldwide amounted to $37.6 billion at the end of December 2010. The Company manages a wide range of funds on the various risk/performance segments. In 2010, CB Richard Ellis Investors invested $4.1 billion and sold $2.2 billion of assets in North America, Europe and Asia.

CB Richard Ellis Investors is an independent subsidiary of CB Richard Ellis Group, Inc. (NYSE: CBG). CB Richard Ellis is the world's premier real estate services company and employs over 34,500 people in over 57 countries worldwide (affiliates included). CB Richard Ellis Investors benefits from the resources of its parent company in certain areas such as research and sourcing.

For more information on CB Richard Ellis Investors: www.cbreinvestors.com

CB Richard Ellis Investors, which holds approximately 17% of the M.R.M. Group, manages property operations for the Company's subsidiaries, and is remunerated in the form of advisory fees for acquisitions, plus management consulting fees.

Duties and responsibilities of CB Richard Ellis Investors:

- advising the subsidiaries of the Company on property asset acquisitions;
- identifying and presenting investment opportunities in the property sector which fit the investment plan;
- evaluation of investment projects;
- financial analysis and valuation of investment projects and drawing up corresponding business plans;
- supervising verification, audit, and due diligence prior to and after acquisitions;
- advising the subsidiaries of the Company in negotiating acquisitions;
- advising the subsidiaries of the Company on determining asset management policies, in conducting and implementing strategies for upgrading property assets, letting property assets, determining and implementing asset-switching policies, sales and setting the selling prices for property assets;
- CB Richard Ellis Investors will choose and recommend to the subsidiaries of the Company certified property agents which may be put in charge of managing or marketing property assets, among other services;
- CB Richard Ellis Investors can recommend the services of any outside party it deems useful;
- supervising the administration of property assets;
- supervising accounting, legal and tax administration for the subsidiaries of the Company.

CB Richard Ellis Investors is remunerated in the following manners:

- **consultancy fees for acquisitions with the following thresholds:**
  - 2%, excluding VAT, of the purchase price excluding transfer taxes if the acquisition price excluding transfer taxes is lower than €5 million, otherwise 2% excluding VAT of the first €5 million of the acquisition price excluding transfer taxes,
  - 1.5% excluding VAT of the part of the acquisition price excluding transfer taxes exceeding €5 million if the acquisition price excluding transfer taxes is below €20 million, otherwise 1.5% excluding VAT of the part of the acquisition price excluding transfer taxes between the first €5 million and the first €20 million,
  - 1% excluding VAT of the portion of the purchase price excluding transfer taxes exceeding €20 million if the purchase price excluding transfer taxes is above €20 million.

The sale of property assets does not result in the payment of fees;

- **asset management fees (an annual 1% excluding VAT of the cost price of properties)**

The cost price of a property asset refers, for each property acquired, to the price excluding transfer taxes/excluding taxes paid to the seller by the Company in the case of a direct purchase, or the valuation agreed between the seller and the buyer of the property or properties in the case of the acquisition of a company owning one or more properties, plus the following:

- charges and fees relating to the implementation of external financing,
- taxes and duties relating to the acquisition (VAT, registration duties, solicitors' fees, land registrar fee, etc.),
- works and expenses relating to the property assets and recorded in the balance sheet of the company owning the property,
- any compensation paid to tenants.

These asset management fees are payable quarterly.

Following amendments to management agreements, the amount of asset management fees paid by the subsidiaries of M.R.M. to CB Richard Ellis Investors for 2010, has been decided on the basis of a fixed annual amount.

Services charged to the subsidiaries of M.R.M. in 2010 amounted to a total of €3.2 million, down 20% compared with the application of the remuneration methods described above.

CB Richard Ellis Investors' obligations to the Company are set out below:

- to perform its tasks and duties as set out in the management procedures and in the best interests of the subsidiaries of the Company;
- to keep the Chairman informed of the performance of its tasks;
- to use all means available to it, mainly human and material resources, necessary for the correct execution of its duties.

(1) *Assets under management (AUMs) refer to the properties and other assets with respect to which CB Richard Ellis Investors provides (or participates in) oversight, investment management services and other advice. AUMs are intended principally to reflect the extent of CB Richard Ellis Investors' presence on the global real estate market. The method of calculating AUMs may differ from that of other asset managers.*

The management procedures already agreed or pending agreement by M.R.M.'s subsidiaries and CB Richard Ellis Investors shall run for eight years but may be terminated at any time. In the event of termination by an M.R.M. subsidiary, where CB Richard Ellis Investors SAS has complied with its contractual obligations, the latter shall be entitled to an additional flat fee equivalent to one year of management consultancy fees, *i.e.*, 1% excluding VAT of the cost price of properties as entered in the accounts of the subsidiary on the day of termination. If in such a case CB Richard Ellis Investors defaulted on one of its obligations, the agreement shall be terminated automatically with no indemnification for termination, 45 days after the subsidiary serves formal notice, unless CB Richard Ellis Investors remedies the situation.

1.7 Human resources

At the date hereof, the Company has one employee working as Finance Director, who reports to the Board of directors, particularly the Chairman.

1.8 Research and development

M.R.M., due to the nature of its business as a diversified property company, has no research and development policy. It has registered the domain name "www.mrminvest.com".

The Company does not consider that its business or profit capacity is in any way dependent on any particular brand, patent or licence.

1.9 Environmental policy

The Group's strategy consists in maintaining a balance between so-called "stabilised" assets and those "with value-added opportunities". Its stabilised assets meet the highest criteria and standards of quality in their respective segments, office properties and retail properties. Assets with value-added opportunities are managed *via* an active policy favouring refurbishment and the improvement of their energy balance sheet, which is consistent with the Group's sustainable development objectives.

Strategically, the Group adheres to France's HQE programme (High Environmental Quality, described on the website www.assohqe.org), which takes full account of the challenges of sustainable development, by limiting the impact of property construction on the environment and opting for a harmonious integration, perfectly adapted to the needs and comfort of the users of such buildings.

For its heavy restructuring operation of the Nova building in La Garenne-Colombes, M.R.M. adapted its works to incorporate the H.Q.E. process, despite the need to account for the constraints of the site and structure of the existing building. The additional costs incurred by the adoption of the procedure are controlled and M.R.M. sees them as investments which contribute to value creation. At the start of 2010, the Nova building located in La Garenne-Colombes received NF Tertiary Sector Buildings-HQE Standards certification for the Planning and Design phases.

In its operations, the Company adheres to and sees that its service providers adhere rigorously to environmental regulations in all stages of property investing (acquisition, design, property management).

This concerns, as an example, detection of asbestos and other harmful or hazardous materials contained in properties considered for acquisition, drawing up and updating technical reports on asbestos for properties in the portfolio, as well as on insulation and energy performance standards for properties undergoing restructuring. As to the properties being renovated, M.R.M. pays great attention to the treatment of communal areas and landscaped spaces. M.R.M. plans to reposition its properties in their environment by incorporating the changes in town planning and the enhancement of natural landscaped surroundings.

As a company keenly aware of the importance of sustainable development, M.R.M. closely follows the changes in regulations, particularly where existing tertiary sector properties for which texts are expected in the coming months, and where shopping centres are concerned, the company keeps abreast of consumers' expectations. Regarding water management, the Vivier shopping centre in Allonnes is equipped with a system for recovering and storing rainwater in a 55 cubic metre underground cistern, used for watering landscaped areas on site by a drip system, thus saving on water consumption while making the area more pleasant for users.

1.10 Insurance

The Group's property assets are insured under multi-risk policies covering property damage, rental loss and the property owner's third party liability.

Risks commonly covered under insurance policies, generally speaking, are: theft, water damage, broken glass and machines, damage due to storms, hail, falling objects, terrorist attacks, vandalism and riots, third party liability and special risks.

In addition, the Company subscribes to contractors' risk insurance ("TRC") when conducting works on property assets, for the entire duration of such works; coverage includes damage to the property, natural catastrophes when declared by ministerial order and published in the French Official Journal of legal announcements, owner's third party liability during the works, as well as, where applicable, insurance for property damage during works which guarantee reimbursement or repair for claims covered by the ten year guarantee.

M.R.M. has taken out, on its own account as well as for its subsidiaries, from 27 July 2007 onwards, an insurance policy for the proprietary liability of the directors of M.R.M. and of its subsidiaries with an annual policy limit of €5 million excluding excess.

Exceptionally, the guarantee amounts to €2.5 million per claim on securities.

In addition, for this guarantee amount, the excess amounts to a maximum of:

- 15% per claim of the amount of each loss following a securities claim (if certain conditions are met) insofar as M.R.M. can take responsibility for payment of the loss;
- 15% per claim of the amount of each loss following a securities claim (if certain conditions are met).

This insurance policy covers:

- the legal directors (any private individual who has been, is or will be director of M.R.M., *i.e.* a properly appointed corporate officer of M.R.M. by virtue of the law, or by the Articles of Association or the bodies of M.R.M.); and
- the *de facto* directors (any private individual who serves M.R.M. as an employee or voluntary worker when their personal liability is called into question as a director in fact of M.R.M. or through an offence committed within the framework of their management-, director-related or supervisory functions exercised with or without mandate or authorisation).

1.11 Judicial and arbitration proceedings

The Company is involved in a certain number of disputes generally related to its ongoing business. As of the date of this document, there is no other governmental, legal, or arbitrage procedure, including any procedure the Company knows of, that is pending or with which it is threatened, likely to have, or having had over the last 12 months, significant impact on the financial position or profitability of the Company and/or the Group. However, M.R.M. cannot guarantee that it will remain uninvolved by any disputes in the future.

1.12 Significant changes in the financial or commercial situation

2010 was M.R.M.'s third full financial year as a listed real estate company. Since Dynamique Bureaux took control of the Company on 29 June 2007, the latter's business has been reoriented towards that of a real estate investment company. Its financial position was consequently affected by the asset contributions approved by the General Meeting of Shareholders on 12 December 2007 and by acquisitions carried out since September 2007.

The economic crisis, which started in the fourth quarter of 2008, led M.R.M. to implement an adjustment plan of its operations in order to adapt to a harsher environment. As such, M.R.M. has established the following measures, which had a considerable impact on its financial situation:

- refocusing investments on the existing portfolio - in 2010, M.R.M. thus acquired a 1,100 sqm premise at the heart of the Carrefour Ecole Valentin shopping centre in Besançon, for €2.4 million excluding transfer taxes, an acquisition which falls under the plans to extend the shopping mall owned by M.R.M. ;
- more selective investments over three years - thus investments were limited to €8.6 million in 2010;
- cost revisions;
- an important arbitration programme - in 2010 the Group sold €151 million of assets (of which €2.5 million conditional) thus attaining the objectives M.R.M. had set for itself;
- renegotiating the credit lines with the earliest maturity dates – in 2010 advances made regarding the amount of bank debt and the debt schedule were manifold, due to the refinancing, rescheduling and repayments relating to the sale of assets. However, it was in February 2011 that M.R.M. took a decisive step towards clearing its financial position, through the signature of an agreement to restructure a €83.6 million credit line, which matured in September 2011. The terms of this agreement are detailled in the paragraph on "Maturity and hedging of bank debt" on page 12 of this document.

2.

RISK FACTORS

The Company has assessed the risks which could have a significant negative effect on its activity, its financial situation or its results (or on its capacity to achieve its objectives) and it believes that there are no significant risks other than those presented. Investors should be aware that the list of risks that follows is not exhaustive, and that other risks either unknown or not considered material at the date of this registration document, and which could have an adverse impact on the Company, its activity, financial position, earnings or share price, could still exist.

Procedures set up for risk management are mentioned in the report of the Chairman of the Board of directors on the operations of the Board and internal control, contained in paragraph 4.5 of this document.

2.1 Legal risks

Risks associated with unfavourable developments in commercial lease regulations

French legislation on commercial leases is relatively constrictive for the lessor. Provisions on term of leases, renewal, and rent revisions while the lease is running and for renewed leases are part of public policy, tending to limit any leeway owners might have to increase rents to market levels. Any changes in rules applying to commercial leases, especially with regard to duration, revision and capping of rents, calculating eviction compensation due to tenants in case of non-renewal, could have negative consequences on the value of the Company's assets, earnings, business or financial position. The activity of the Company may particularly be influenced by the new retail rents index ("ILC") likely to replace the construction cost index ("ICC"). See paragraph "Economic Risk" in section 2.2 of this document, for more information on the ILC.

SIIC regime risk

Since 1 January 2008, the Company has been benefiting from the SIIC status governed by Article 208 C of the General Tax Code, and is accordingly exempt from corporate income tax, pending distribution of profits, on the part of the profit from areas such as the rental of its properties, the capital gains realised on the sale of buildings or of certain stakes in real estate companies, and of certain dividends.

In order to maintain the advantages of the SIIC regime, the Company must distribute a significant part of its profits, which can affect its financial position and cash flow. In addition, failure to meet this distribution obligation during the financial period would mean that the exemptions would not apply to that year.

Furthermore, the Company would lose the benefit of the SIIC regime if one or several shareholders of the Company acting in concert (other than listed companies benefiting from the SIIC regime) held 60% or more of the shares or voting rights of the Company. The Company currently does not envisage one of its shareholders directly or indirectly holding 60% or more of its shares. However, the Company cannot guarantee that market operations on its shares, or shareholders acting in concert will not cause this threshold to be surpassed. In addition, this mechanism could have the effect of preventing any change of control or of discouraging any bid for its shares.

Finally, the Company is exposed to the risk of future modifications in the SIIC regime or the interpretation of its provisions by the tax and accounting authorities, which could affect the activity, results and financial position of the Company.

Risks associated with unfavourable developments in property regulations

Apart from the specific constraints mentioned above, in conducting its business the Company must comply with several restrictive regulations governing construction, town planning, operating retail space, the environment, public health and human safety.

Any modification making these regulations substantially more restrictive would entail significant costs for the Company, particularly in terms of making property comply with regulations, which could have a significant impact on the activity, results and financial position of the Company.

Litigation and exceptional circumstances

The Company is involved in a certain number of disputes generally related to its ongoing business. As of the date of this document, there is no other governmental, legal, or arbitrage procedure, including any procedure the Company knows of, that is pending or with which it is threatened, likely to have, or having had over the last 12 months, significant impact on the financial position or profitability of the Company and/or the Group.

However, M.R.M. cannot guarantee that it will remain uninvolved by any disputes in the future.

2.2 Industrial and environmental risks

These risks are the main risks which could affect the Company in its development as a real estate investment company, a business it began to grow after its takeover by Dynamique Bureaux on 29 June 2007. The recession, which started in the fourth quarter of 2008, has created a certain number of risks, the effects of which are reduced due to the first signs of a rebound of economic activity and the real estate market as of 31 December 2010, and are presented below.

Property asset valuation risk

The Company's property portfolio is subject to an appraisal every six months, on 30 June and 31 December of each year. The details of the Group's appraisers and the methodology used by the latter in their appraisals are set out in paragraph 1.2.1 "The Group's Asset Profile" of this document.

The appraisal valuations carried out on 31 December take the form of a detailed report, whilst those carried out on 30 June are an update. The M.R.M. group has opted to use the fair value accounting method for its property assets. In accordance with the option offered by IAS 40, this involves entering the investment property at its fair value and registering changes in value in the income statement. As of 31 December 2010, the change in fair value of the property reduced Group income by €9.225 million.

Assessing the value of the property portfolio depends on a number of factors, mainly involving the balance between market supply and demand, interest rates, the global economic environment and regulations, which can vary significantly, with a direct impact on the value of the Company's property assets and, as an indirect consequence, on the Loan to Value ratios used as indicators of the Group's debt and liquidity risk. The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

In addition, the valuation of the Company's property assets, when published, corresponds to an appraisal carried out by the property appraisers at a precise moment in time. Given the gap between the moment when the appraisal valuations are carried out and the moment when this information is made public, the valuation of the Company's property assets could have changed by the time that the information is published.

As of 31 December 2010, on a comparable scope of consolidation, *i.e.* after restatement of the disposals occurring in 2010, the fall continues in certain sectors but there is also a bit of a recovery in the property market linked to the economic environment has had the following effects for the

Company in terms of property valuation, on the basis of appraisal value excluding transfer taxes, drawn up by two independent appraisers, Catella (offices) and Savills (retail):

Value of Property Assets (Excluding Transfer Taxes) *(in millions of euros)*	12/31/2009 restated*	12/31/2010	Change	Change *(in %)*
Stabilised Offices	111.8	116.6	+4.8	+4.3%
Offices with value-added opportunities	89.2	80.8	-8.4	-9.5%
SUBTOTAL - OFFICE PROPERTIES	201.0	197.3	-3.7	- 2.5%
Stabilised Retail Assets	100.2	102.0	+1.8	+1.7%
Retail Assets with value-added opportunities	36.6	40.4	+3.8	+10.5%
SUBTOTAL - RETAIL PROPERTIES	136.8	142.4	+5.6	+4.1%
M.R.M. ASSET PORTFOLIO	**337.8**	**339.7**	**+1.9**	**+0.6%**

* *Restated for dispositions made in 2010.*

With the exception of offices with value-added opportunities, the value of properties has therefore increased in 2010 compared with 2009. The recovery in the market however remains uncertain and it is difficult today to anticipate with certainty that it will continue to improve in 2011.

A stress test simulating a variation in the capitalisation rates as of 31 December 2010 showed that an increase in these of 50 basis points would have a negative impact of €20.680 million on the portfolio value (i.e -6%) and that a decrease of 50 basis points would have a positive impact of €23.920 million on the portofolio value (i.e +7%).

Economic risk

Since the Company's real estate portfolio is made up of office and retail properties located in France, changes in the main French macroeconomic indicators are likely to affect M.R.M.'s business, its rental income, the value of its property portfolio, as well as its policy relating to investment in and development of new properties, and consequently its growth prospects.

Consequently, changes in the economic environment in which the Company operates, such as economic growth rates, interest rates and the INSEE construction cost index (ICC) could significantly affect its business and development, and thus its growth prospects.

- An economic slowdown at the national or international level and/or of the property market could continue to entail:

(i) weaker demand for renting the Company's property assets, increasing the risk of vacancy if a tenant leaves, which would in turn have an adverse impact on the value of the Company's property portfolio and on its operating income;

(ii) lower capacity of tenants to fulfil their obligations to the Company, notably to pay their rent;

(iii) a decline in the rental value of property assets, affecting the Company's ability to negotiate new rental contracts and renew leases, and to increase or even to maintain rents.

- A decline or a slowdown in the growth of the indexes on which the rents paid by tenants of the Company's property assets are indexed could also weigh on its rental revenues (invoiced rents and key money received). Since 2009, in addition to the national construction cost index (ICC) published by INSEE, a new index, also published by INSEE, has appeared: the retail rent index (ILC) consisting 25% of the ICC, 25% of the ICAV index of retail revenue and 50% of the consumer prices index (IPC). Since the end of 2008, and for the first time since its creation, the ICC registered a fall over three consecutive quarters (from the fourth quarter of 2008 to the third quarter of 2009). A significant annual fall was registered in the second quarter of 2009 (-4.10%) and in the third quarter of 2009 (-5.77%). Since 2010, these indices have stabilised, with the cost of construction materials having also stabilised. Changes in the ICC should remain positive, given the rise in raw material prices started at the end of the first quarter of 2009, and which has continued to the present. Sharper rises in the index could however occur within 12 months. The timing will depend on the strength of the upturn, which at present is uncertain.

- A substantial increase in interest rates could entail:

(i) higher costs for investment operations (acquisition or refurbishing property assets), which are debt-financed;

(ii) a decline in the value of the Company's property portfolio, insofar as the valuation of a property depends mostly on how much the owner can sell it for, which in turn depends on purchasers' financing capacity and ability to leverage.

In addition, the current economic environment, combined with a drying-up of finance from the banks, could have a significant impact on the Company's business and consequently slow down its development needs. It could also have an effect on the occupancy rate of the property assets and on tenants' capacity to pay their rent.

The capacity of Group companies to maintain or increase rents when leases are renewed is also affected by changes in both supply and demand, which are influenced by the general economic environment.

The value of the Company's property portfolio also depends on a number of factors including the level of market supply and demand, factors which themselves develop depending on the general economic environment. The level of the Group's rental revenues and its results, the value of its asset base and its financial position, as well as its development prospects could therefore be negatively influenced by these factors.

Competition risk

In its property dealings, the Company is faced with stiff competition from other sector players. This competition occurs on seeking acquisition targets as well as on letting out properties and/or renewing expired leases. The Company can encounter competitors in the acquisition of property assets, who may have greater competitive advantages, mainly financial means at their disposal. In addition, seeking to acquire property assets could become difficult due to scarcity of supply and the highly competitive property market. This could hinder the Company's ability to pursue its growth strategy, which could adversely affect its future growth prospects and earnings.

In the rental business, when leases expire, other players could offer tenants better terms, or properties which better meet their requirements at conditions more attractive than those proposed by the Company.

Risk of non-renewal of leases and vacation of properties

The Company's business consists of letting its property assets to third parties and allowing them to set up commercial activities and/or offices therein.

The tenant is entitled to vacate the premises as provided by law and regulations, or if applicable, according to the contract; in all cases, prior notice is mandatory. Upon expiry of the lease, the tenant may request its renewal or vacate the premises.

In certain cases, if the lessor refuses to renew, the lessee is entitled to an eviction indemnity, which can be a substantial amount. Whatever the reason for a tenant's leaving the premises, the Company cannot guarantee that it can re-let the premises in question rapidly under terms which are as favourable as those of the present lease. The lack of income from vacated premises and the corresponding fixed costs must then be borne by the Company and this is liable to affect the Company's revenue, operating income and profitability. In addition, at the end of a lease period there is always the possibility that the Company might have to deal with different market conditions, unfavourable for lessors.

The current economic situation improved in 2010 compared with 2009, but is still too uncertain for us to envisage continuous growth in 2011, or to rule out the risk of a negative downturn, and the consequences could include leases not being renewed or early notice to leave due to bankruptcies of lessees, and difficulties re-letting certain premises.

Dependence on main tenants – counterparty risk

All of the Group's revenue is generated by letting out property assets to third parties. It follows from this that any default on rent payments can affect the Company's earnings.

Certain tenants account for a significant proportion of the Company's annual invoiced rents. The contractually legitimate termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability.

However, the principal tenants are bound by firm leases that can run for between 3 and 12 years, with expiration dates stated in paragraph 1.4.5 of this document. Clauses in such leases can provide for termination indemnities.

The top ten tenants in the office property portfolio

At the date of this document, the top tenant in the office property portfolio accounts for 11% of the Group's rents and 21% of the rents in the office property portfolio. The 5 most significant tenants account for 22% of the Group's rents and 41% of the rents in the office property portfolio. The 10 most significant tenants account for 29% of the Group's rents and 55% of the rents in the office property portfolio.

The top ten tenants in the retail property portfolio

At the date of this document, the top tenant in the retail property portfolio accounts for 6% of the Group's rents and 12% of the rents in the retail property portfolio. The 5 most significant tenants account for 14% of the Group's rents and 28% of the rents in the retail property portfolio. Finally, the 10 most significant tenants account for 18% of the Group's rents and 38% of the rents in the retail property portfolio.

Risks linked to the acquisition of property assets

In its business operations and in carrying out its growth strategy, the Company will acquire property assets or companies owning them. Such acquisitions carry some risk, mainly associated with property market conditions, valuation of property assets, the rental potential of such assets, the effects on the Company's operating income, the involvement of senior management and certain key persons in such transactions, and the discovery of problems inherent to such acquisitions such as the presence of dangerous or toxic substances and environmental or regulatory problems. The due diligence procedures carried out prior to each acquisition, with the aid of external specialised consultants, aim to minimise these risks.

As a consequence, the Company cannot guarantee that its planned acquisitions will ultimately be realised under satisfactory market conditions, nor that such acquisitions will enable it to maintain yield levels, or that they will not give rise to unforeseen risks which make their integration more difficult.

In particular, acquisitions which are the subject of purchase agreements drawn up in a falling market risk being concluded at a price which is higher than the market value when the transaction is completed.

Risks associated with the Company's disposition of certain property assets

The Company, within the framework of a dynamic management of its property assets, and more particularly in respect of its arbitrage plan implemented at the start of 2009 and continued in 2010 in order to deal with the tougher market conditions, ended up selling certain assets, mainly in order to release new funds with which to implement other projects.

A continued economic downturn or financial and operational risks, particularly through potential problems linked to respect of planned asset disposal schedules, the Company may not be able to sell part of its property assets under satisfactory terms. However, the improved economic context in 2010 reduced the impact of these risks.

Risks in connection with late completion or non-completion of planned investments

In its strategy of enhancing the value of its property portfolio, and in making its properties more attractive and valuable, the Company must make the necessary investments for refurbishing and restructuring existing sites.

In order to deal with the current economic environment that remains uncertain, the Company has concentrated its investments on the existing asset base and continues to be more selective in its investments, reducing budgets for works where it has not yet committed and by cutting costs.

Delays or non-completion of certain planned investments, or completion at higher costs than planned - due not only to the expense of conducting prior studies, but also to administrative, technical or marketing hurdles - may slow down the pace of the Company's development strategy, delay the letting out of the property and have a negative impact on its business and earnings.

Environmental risks associated with public health

The Company's activities are subject to laws and regulations relating to the environment and public health. These laws and regulations concern in particular the ownership or use of facilities that may be a source of pollution or have an impact on public health (especially epidemics in shopping centres), the presence or use of toxic substances or materials in construction, their storage and manipulation. If the thresholds set by these regulations were to become stricter, the Company could be exposed to additional costs.

Certain properties of the Company are exposed to problems related to public health and safety, especially asbestos and legionnaires' disease. Although the monitoring of such problems may primarily involve suppliers and subcontractors, the Company may nevertheless be held liable if it fails to meet its obligation to monitor and control the facilities it owns. Such problems could have a negative impact on the financial position, the results and the reputation of the Company, and also on its capacity to sell, let or refurbish an asset or to use it as collateral on a loan.

The Company's retail assets are subject to specific regulations covering the safety of people (ERP public safety regulations). Although the managers of these assets are responsible for taking the necessary measures in relation to these regulations, any breaches of these obligations could have a negative effect on the Company's reputation and the traffic in its shopping centres.

Climate or health risks could also have consequences in terms of the number of visitors to our shopping centres, a reduction in revenue for the traders and lost rent for the Company on the site concerned, and also in terms of the Company's image.

In addition, if the sites for planned shopping centres are on a flood plain, they may be refused planning permission. Plans to extend shopping centres are also affected by the progressive introduction of "PPR" risk prevention plans by local authorities. These PPRs can prevent the extension of a given shopping centre and represent a significant loss in earnings for the Company.

Dependence on third parties

At the date of this document, the Company considers that it is not dependent on any third party whatsoever. CB Richard Ellis Investors at this time holds approximately 17% of the Company's share capital and 18% of the voting rights.

The terms of the management agreements described in paragraph 1.6 "Group organisation", which are or will be entered into by M.R.M. subsidiaries and CB Richard Ellis Investors, were negotiated in the Company's interest. In addition, the agreements may be terminated under the conditions mentioned in the said paragraph.

2.3 Market risks – financial risks

Foreign exchange risk

At the date of this document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rates risk

All of the bank loans taken out by the M.R.M. Group are at a variable rate. The Group systematically hedges its contracted variable-rate debt by subscribing caps. The main characteristics of the financial instruments held are described in Note 6 of the notes to the consolidated financial statements of the financial year ended 31 December 2010, presented in paragraph 3.7 of this Registration Document.

Accordingly, to hedge the debt as of 31 December 2010, 100% of the loans for financing office property acquisitions are capped (Euribor three-month instruments at rates between 3.00% and 5.50% until the loans are entirely paid off).

Loans for financing retail properties are also fully capped (Euribor three-month instruments at rates between 3.75% and 5.25% until the loans are entirely paid off).

A 1% variation in the interest rate would impact the Group's financial charges to the tune of €2.729 million. Since current interest rates are quite low, the caps subscribed by the Group are not in the money.

Liquidity risk

The presentation of all of the Group's financial liabilities, by nature and expiry date, are described in Note 10 of the notes to the consolidated financial statements of the financial year ended 31 December 2010, presented in paragraph 3.7 of this Registration Document.

The Company performed a special study of its liquidity risk and it considers that it can meet its current obligations.

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its WCR to cover operating expenses, interest and repayment of its entire existing financial debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into by the Group or its subsidiaries contain or may in the future contain early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, and the ICR ratio (interest coverage rate), representing the coverage rate of interest expenses by rents. Covenants relating to LTV ratios set maximum thresholds between 70% and 88.66%. Covenants relating to ICR ratios set minimum thresholds of between 100% and 130%.

As of 31 December 2010, the Group has respected all of its commitments to its banking partners in the area of LTV and ICR covenants.

The table summarising the credit lines of the M.R.M. Group is in Note 10 to the consolidated accounts for the 2010 financial year, appended to paragraph 3.7 of this Registration Document.

Pledges and mortgages in favour of the banks

There is information in Note 22 of the notes to the consolidated financial statements of the financial year ended 31 December 2010, presented in paragraph 3.7 of this Registration Document.

The property assets acquired by the Group or its subsidiaries with bank loans are mortgaged to the lending banks, and the shares of its subsidiaries are pledged to such banks.

Information on the portion of the issuer's share capital under pledge

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

2.4 Insurance

The Group's property assets are insured under multi-risk policies covering property damage, rental loss and the property owner's third party liability.

Risks commonly covered under insurance policies, generally speaking, are: theft, water damage, broken glass and machines, damage due to storms, hail, falling objects, terrorist attacks, vandalism and riots, third party liability and special risks.

In addition, the Company subscribes to contractors' all risk insurance ("TRC") when conducting works on property assets, for the entire duration of such works; coverage includes damage to the property, natural catastrophes when declared by ministerial order and published in the French Official Journal of legal announcements, as well as owner's third party liability during the works.

M.R.M. has taken out, on its own account as well as for its subsidiaries, from 27 July 2007 onwards, an insurance policy for the proprietary liability of the directors of M.R.M. and of its subsidiaries with an annual policy limit of €5 million excluding excess.

Exceptionally, the guarantee amounts to €2.5 million per claim on securities.

In addition, for this guarantee amount, the excess amounts to a maximum of:

- 15% per claim of the amount of each loss following a securities claim (if certain conditions are met) insofar as M.R.M. can take responsibility for payment of the loss;
- 15% per claim of the amount of each loss following a securities claim (if certain conditions are met).

This insurance policy covers:

- the legal directors (any private individual who has been, is or will be director of M.R.M., *i.e.* a properly appointed corporate officer of M.R.M. by virtue of the law, or by the Articles of Association or the bodies of M.R.M.); and
- the *de facto* directors (any private individual who serves M.R.M. as an employee or voluntary worker when their personal liability is called into question as a director in fact of M.R.M. or through an offence committed within the framework of their management-, director-related or supervisory functions exercised with or without mandate or authorisation).

3.

GENERAL INFORMATION ON THE ISSUER AND ITS SHARE CAPITAL

3.1 General information

3.1.1 Company name

The name of the Company is M.R.M. (Article 2 of the Articles of Association).

3.1.2 Company registration place and number

The Company is registered with the Trade and Companies Register of Paris under number 544 502 206.

3.1.3 Head office, legal status and law governing company business

The Company's head office is located at:
65/67 avenue des Champs-Élysées Paris (75008), France.
Telephone number: +33 (0)1 58 62 55 55.

The Company is a French limited company (*Société Anonyme*) with a Board of directors governed by the laws and regulations in force in France, in particularly book II of the French Commercial Code and decree N° 67-236 of 23 March 1967, as well as by its Articles of Association.

3.1.4 Consultation of legal documents

Legal documents are available for consultation at the head office and on the Company's website: www.mrminvest.com.

3.1.5 Lifetime of the Company

Unless the Company is wound up early or its lifetime is extended by resolution of the Extraordinary General Meeting of Shareholders, the lifetime of the Company shall run until 30 April 2038 (Article 5 of the Articles of Association). The Company was founded on 21 January 1992.

3.1.6 Finance period of the Company

The financial period is for 12 months from 1 January to 31 December of each year (Article 18 of the Articles of Association).

3.1.7 Purpose

The purpose of the Company worldwide is:

- primarily, the acquisition, construction, division into lots, management, maintenance and outfitting of any and all property assets with a view to letting them, or holding directly or indirectly equity interests in corporate entities having the same purpose, subject to tax laws governing partnerships or to corporate income tax;
- additionally, the provision of assistance services in technical, accounting, administrative, financial, marketing or management areas to its subsidiaries.

The Company may carry out any transactions compatible with this purpose, or relating to it and contributing to their accomplishment (Article 3 of the Articles of Association).

3.1.8 Appropriation of earnings according to the Articles of association

"First, after any appropriation of losses carried forward, if applicable, five per cent shall be deducted from the annual income and appropriated to the legal reserve fund. This deduction is no longer mandatory once the reserve fund is equivalent to the legal minimum.

Out of the available balance, upon the proposal of the Board of directors or the Management Board (depending on the chosen mode of administration), the General Meeting can appropriate the amounts it deems adequate, either to carry forward to the next period or to allot to one or several general or special reserve funds.

The balance, if any, shall be distributed among the shareholders as a bonus dividend.

Any and all shareholders other than private individuals:

(i) holding directly or indirectly at the time the dividend is declared, at least 10% of the total dividend rights in the Company; and

(ii) whose situation, or that of its partners holding, for the payment of any distribution, directly or indirectly 10% or more of the total dividend rights, renders the Company liable for the payment of the 20% levy referred to in Article 208 C II ter of the General Tax Code (the "Tax Levy") (such shareholders are hereafter referred to as "tax-paying shareholders"),

shall be liable to the Company upon payment of any amount distributed for an amount equivalent to the Tax Levy due by the Company in relation to such payment." (Article 18 of the Articles of Association).

3.1.9 Management and administration

See paragraph 4.5, "Report of the Chairman of the Board of directors on the functioning of the Board and on internal control".

3.1.10 General Meetings

"General Meetings of Shareholders are called and held under the terms and conditions established by law.

The notice of General Meetings in which dividends are decided upon shall reiterate shareholders' obligations under Article 8 of the Articles of Association. Any shareholder, other than natural persons, who holds directly or indirectly 10% or more of the total dividend rights in the Company shall confirm whether or not it is in the class of "tax-paying shareholders" as declared according to Article 8 of the Articles of Association, no later than three days prior to the date of the General Meeting.

Shareholders' Meetings are held either at the Head Office or in another venue in Paris or its neighbouring *Départements* or in any other place indicated in the notice of meeting.

Any shareholder may take part in the meetings, personally or by proxy, provided that his/her shares are registered in his/her name or the name of the agent registered on his/her behalf, according to Article L. 228-1 paragraph 7 of the French Commercial Code, at midnight on the third business day prior to the meeting, or in the registered share accounts held by the Company, or in bearer share accounts held by an authorised intermediary.

For the purposes of determining a quorum and majority, those shareholders that attend the General Meeting by video conference or by telecommunications media permitting their identification and which comply with applicable regulations, when the Board of directors decides on such methods of participation, prior to sending notice of the General Meeting, shall be counted." (Article 16 of the Articles of Association)

3.1.11 Shareholders' rights

"Voting rights attached to equity shares or bonus shares are equal to the portion of the capital they represent, and each share carries at least one voting right. Double voting rights are granted to all fully paid-up shares which have been registered for at least two years in the name of the same shareholder under the terms and conditions provided for by law.

In the case where share ownership rights are split, the usufructuary has the voting rights in Ordinary General Meetings and the bare owner has the voting rights in Extraordinary General Meetings.

Any natural or legal person which crosses, either up or down, a share ownership or voting rights threshold in the Company equal to 2.5% or a multiple thereof (*i.e.*, thresholds of 2.5%, 5%, 7.5%, etc.) is bound to notify the Company, within 15 days after the threshold is crossed, of the number of shares or voting rights that it holds. This obligation ceases to apply above a threshold of 32.5% of the share capital or, depending on the case, voting rights." (Article 8 of the Articles of Association).

Shareholders' rights can be modified as provided by law.

3.2 Information about the share capital

3.2.1 Share Capital

The registered share capital totals €28,015,816. It is divided into 3,501,977 shares of a par value of €8 each, entirely paid up. Full paid-up shares are either registered or bearer, at the discretion of the shareholder, subject to applicable mandatory provisions in Articles 6 and 7 of the Articles of Association.

The share capital can be changed as provided by law.

3.2.2 Unissued authorised share capital

As of 31 December 2010, there was no delegated power in force enabling the Board of directors to decide upon an increase in capital by issue of ordinary shares or securities giving immediate or future access to the share capital of the Company.

3.2.3 Convertible securities

None.

3.2.4 Non-equity securities

At the date of this registration document, there are no securities existing which do not represent the Company's share capital.

3.2.5 Securities giving access to capital

None.

3.2.6 Summary of current valid authorisations

None.

3.2.7 Shares held by or on behalf of the Company

As of 31 December 2010, the Company held 23,560 of its treasury shares representing 0.67% of the share capital and voting rights in the Company.

3.2.8 Complex securities

None.

3.2.9 Options or agreements involving the Company's share capital

None.

3.2.10 Pledged shares

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

3.2.11 Changes in the share capital

Share Capital

At the date of filing of this registration document, the share capital of M.R.M. totals €28,015,816, divided into 3,501,977 shares with a par value of €8, fully paid-up and all of the same class.

Changes in the share capital since 2002

Date	Nature of transaction	Capital increase/ decrease	Issue or contribution or merger premium	Number of shares issued	Par value	Aggregate number of shares	Post-transaction share capital
01/01/2002					€8	571,838	€4,574,704
12/12/2007	Remuneration: contribution of Commerces Rendement shares	€7,544,304	€11,316,584.39	943,038	€8		
12/12/2007	Remuneration: contribution of IRH shares	€5,794,616	€8,691,892	724,327	€8		
12/12/2007	Merger-absorption of Dynamique Bureaux by M.R.M.	€14,542,248	€21,813,377	1,817,781	€8		
12/12/2007	Cancellation of treasury shares	(€4,440,056)	(€6,659,884.41)	(555,007)	€8	3,501,977	€28,015,816

Operations affecting the Breakdown of the Share Capital

In 2007, a simplified tender offer was launched for M.R.M.

3.2.12 Shareholders

Changes in the shareholder structure

Since 17 December 2009, in accordance with Article 8 of the Articles of Association, certain shareholders have acquired double voting rights, taking the total number of exercisable voting rights at the date of this registration document from 3,501,977 to 6,367,506.

The table below sets out the changes in the shareholder structure, in capital and voting rights, over the past three years:

	At date of filing of this registration document		End-2010		End-2009		End-2008	
Shareholders	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
CB Richard Ellis Investors group	17.1%	18.7%	17.1%	18.7%	17.1%	16.0%	17.1%	17.1%
CARAC	9.2%	10.0%	9.2%	10.0%	9.2%	10.0%	9.2%	9.2%
SC TF Entreprises	5.5%	6.0%	5.5%	6.0%	5.5%	6.5%	5.5%	5.5%
SNC CAM Développement	4.3%	4.7%	4.3%	4.7%	4.3%	5.0%	4.3%	4.3%
SCI PIMI Foncière	4.1%	4.5%	4.1%	4.5%	4.1%	4.9%	4.1%	4.1%
PREFF	3.4%	3.7%	3.4%	3.7%	3.4%	2%	3.4%	3.4%
Specials Fund	3.4%	3.7%	3.4%	3.7%	3.4%	2%	3.4%	3.4%
Treasury shares	0.7%	-	0.7%	-	0.6%	-	0.5%	-
Public	52.3%	48.7%	52.3%	48.7%	52.4%	53.6%	52.5%	53.0%
TOTAL	**100.0%**	**100.0%**	**100.00**	**100.0%**	**100.00**	**100.0%**	**100.0%**	**100.0%**

To the best of the Company's knowledge, no other shareholder holds more than 5% of the share capital or voting rights. No shareholder controls the Company either directly or indirectly.

In accordance with Article L. 621-18-2 of the French Monetary & Financial Code, no action was taken on the Company's shares during the financial year ended 31 December 2010 by the individuals mentioned in this article (Company managers, senior managers, and individuals to whom they are closely tied).

On 24 December 2007, M.R.M. signed a liquidity agreement with CM-CIC Securities for the purpose of improving liquidity and the regularity of quotations. At the start of the 2010 financial year, the Company held 19,483 treasury shares representing 0.56% of the share capital. During the 2010 financial year, the Company acquired 6,480 treasury shares, for a value of €50,280.42, and disposed of 2,403 shares for a value of €18,687.87. These transactions were completed *via* the liquidity contract mentioned above.

The Company therefore held 23,560 treasury shares as of 31 December 2010, representing 0.67% of the Company's share capital. These securities are entered as Company assets in its parent company financial statements, and deducted from equity in the consolidated financial statements.

Threshold disclosure (Article L. 233-7 of the French Commercial Code)

In a letter dated 18 February 2010, and a further letter of 19 February 2010, Mr François Lex, Mr Thibault de Valence and TF Entreprises (1) stated that they were no longer part of the concert (2) that they formed with PREFF Pan-European Real Estate Fund of Funds PLC, CB Richard Ellis Investors Europe Holding BV (3) CB Richard Ellis European Warehousing Sàrl (3) and CB Richard Ellis Investors DB Co-invest LLC (3).

As a result the concert party henceforth constituted of PREFF Pan-European Real Estate Fund of Funds PLC, CB Richard Ellis European

(1) Company controlled by Mr François Lex and Mr Thibault de Valence.

(2) Refer in particular to D&I 208C2330 of 24 December 2008.

(3) Controlled at the highest level by CB Richard Ellis Group, Inc.

Warehousing Sàrl, CB Richard Ellis Investors Europe Holding BV, CB Richard Ellis Investors DB Co-invest LLC, declared, on 12 February 2010, that they had fallen below the legal and statutory threshold of 25% of share capital and 20% of the voting rights of M.R.M. and held 714,871 M.R.M. shares representing 1,055,870 voting rights, or 20.41% of the share capital and 17.93% of the voting rights of this company [(4)], broken down as follows:

	Shares	% of share capital	Voting rights	% of voting rights
PREFF Pan-European Real Estate Fund of Funds PLC	117,579	3.36%	117,579	2.00%
CB Richard Ellis European Warehousing Sàrl	493,842	14.10%	731,391	12.42%
CB Richard Ellis Investors Europe Holding BV	58,205	1.66%	116,410	1.98%
CB Richard Ellis Investors DB Co-invest LLC	45,245	1.29%	90,490	1.54%
TOTAL IN CONCERT	**714,871**	**20.41%**	**1,055,870**	**17.93%**

Threshold disclosure (Article L. 233-7 of the French Commercial Code)

In its letter of 1 March 2010, Crédit Agricole Nord de France stated, that for adjustment purposes, it had on 27 December 2009, indirectly *via* SNC CAM 62 Développement, which it controls, risen above the 5% legal and statutory threshold of voting rights in M.R.M. and indirectly held 149,140 M.R.M. shares representing 298,280 voting rights, *i.e.* 4.26% of the capital and 5.06% of that company's voting rights [(4)]. This rise above the threshold is a result of the acquisition of double voting rights.

Threshold disclosure (Article L. 233-7 of the French Commercial Code)

In its letter of 3 March 2010, together with a letter received on 5 March, the *Caisse de Retraite des Anciens Combattants* (CARAC) [veterans' pension fund] (2 bis rue du Château, Neuilly-sur-Seine) stated, for adjustment purposes, that it had, on 27 December 2009, risen above the legal and statutory limit of 10% of voting rights in M.R.M. and held, on that date, 323,360 M.R.M. shares representing 646,720 voting rights, *i.e.* 9.23% of the capital and 11.00% of the voting rights in that company [(5)].This rise above the threshold is a result of the acquisition of double voting rights.

The reporting entity stated that, as of 26 February 2010, it held 323,360 M.R.M. shares, representing 646,720 voting rights, *i.e.* 9.23% of the capital and 10.98% of voting rights in that company [(4)].

CARAC stated that this change in the number of voting rights was tied to the mechanical acquisition of voting rights to M.R.M. shares registered for more than two years, and therefore did not lead to the establishment of special funding.

CARAC also stated that it:

- did not act in concert with any third party;
- had no plans to take control of M.R.M.;
- did not have a specific strategy in relation to M.R.M.;
- did not have any plans involving:
  - a merger, reorganisation, liquidation, or transfer of a substantial portion of the assets of M.R.M.,
  - a change in M.R.M.'s activity or its Articles of Association, except for a potential capital increase,
  - the delisting from trading of any category of M.R.M.'s financial securities;
- reserved the right to participate in any potential issue of M.R.M. financial securities;
- was not a party to any temporary disposal agreement of M.R.M. shares or voting rights;
- did not intend to request the appointment of anyone as a member of the Board of directors.

Threshold disclosure (Article L. 233-7 of the French Commercial Code)

In a letter received on 9 September 2010, SNC CAM 62 Développement [(6)] stated that, on 3 September 2010, it had moved below the 5% legal and statutory threshold of voting rights in M.R.M. and held 149,140 M.R.M. shares representing 298,280 voting rights, or 4.26% of the share capital and 4.86% of the voting rights of this company [(7)].

The crossing of this threshold results from the increase in the number of voting rights.

(4) Based on Capital composed of 3,501,977 shares representing 5,889,274 voting rights.
(5) Based on Capital composed of 3,501,977 shares representing 5,877,774 voting rights.
(6) Controlled by Credit Agricole Nord de France.
(7) Based on capital composed of 3,501,977 shares representing 6,143,656 voting rights.

Threshold disclosure (Article L. 233-7 of the French Commercial Code)

In a letter received on 9 September 2010, the companies CB Richard Ellis European Warehousing Sàrl [1], CB Richard Ellis Investors Holding BV [1], CB Richard Ellis DB Co-invest LLC [1] and PREFF Pan-European Real Estate Fund of Funds plc declared that, on 3 September, they moved in concert [2] above the 20% threshold of the voting rights of M.R.M. and held in concert 714,870 shares representing 1,312,161 voting rights, or 20.41% of the share capital and 21.36% of the voting rights of this company, distributed as follows:

	Shares	% of share capital	Voting rights	% of voting rights
PREFF Pan-European Real Estate Fund of Funds plc	117,579	3.36%	117,579	1.91%
CB Richard Ellis European Warehousing Sàrl	493,841	14.10%	987,682	16.08%
CB Richard Ellis Investors Holding BV	58,205	1.66%	116,410	1.89%
CB Richard Ellis Investors DB Co-invest LLC	45,245	1.29%	90,490	1.47%
TOTAL CB RICHARD ELLIS	**714,870**	**20.41%**	**1,312,161**	**21.36%**

CB Richard Ellis European Warehousing Sàrl stated that, on 3 September 2010, it moved above the 15% threshold of the voting rights in M.R.M. and held jointly and severally 493,841 shares representing 987,682 voting rights, or 14.10% of the share capital and 16.08% of the voting rights of this company [3];

The rise above these thresholds results from the grant of double voting rights to the declarants.

In a letter dated on the same date, together with a letter received on 10 September 2010, it made the following declaration of intent:

"CB Richard Ellis Investors Holding BV, CB Richard Ellis European Warehousing Sàrl, CB Richard Ellis DB Co-invest LLC and PREFF Pan European Real Estate Fund of Funds plc (hereafter referred to as the "concert members") specified that the rise above the 20% threshold of voting rights resulted from an automatic increase related to the acquisition of double voting rights by one of the concert shareholder members (CB Richard Ellis European Warehouseing Sàrl) on 3 September 2010 in relation to its M.R.M. shares recorded in the register for more than two years. Consequently, this change in the number of voting rights has not given rise to the introduction of any special funding.

The concert members declare that they:

- did not act in concert, amongst themselves, but with third parties;
- plan to proceed with the acquisition of existing or new M.R.M. shares;
- did not plan on taking control of M.R.M.

The concert party members declare that they are following a strategy in relation to M.R.M. of supporting its policy over the long term. The concert members declare their intention to continue their activity within the Board of directors and its committees with a view to contributing to the determination of the most appropriate actions to enable the realisation of the long-term growth potential in M.R.M.'s revenue and profitability.

The concert members declared that they did not have any plan regarding:

- a merger, reorganisation, liquidation or transfer of a substantial portion of the assets of M.R.M. or any person controlled by M.R.M. as defined by Article L. 233-3 of the French Commercial Code, excluding the current arbitrage programme, which has already been communicated to the market;
- a change in the business of M.R.M.;
- a change in M.R.M.'s Articles of Association, except for a capital increase;
- any termination of trade in a category of M.R.M.'s financial securities.

The concert party members declare that they will consider participating in future issues of M.R.M. financial securities that might take place.

The concert members also declare that they have not entered into an agreement or been party to any temporary disposal agreement regarding M.R.M. shares and/or voting rights.

Finally, the concert members declare that they have no intention to request the appointment of additional directors to the M.R.M. Board of directors."

There is no agreement which could bring about a change in control of the Company at a later date.

The Company's main shareholders' voting rights are no different from those of other shareholders.

Shareholder identification

The Company may at any time, according to applicable laws and regulations, request the central depository system which keeps track of the stock issued by the Company for the names, or where it concerns a corporate body, for the names, nationalities and addresses of the holders of shares that confer, immediately or in the future, voting rights in its General Meetings of Shareholders, as well as the number of shares held by each one and, if applicable, any restrictions on those shares (Article 7 of the Articles of Association).

(1) Ultimately controlled by CB Richard Ellis Group Inc. 35, boulevard Prince Henri, L-1724 Luxembourg, Luxembourg.
(2) Refer in particular to D&I 210C0178 of 19 February 2010 and D&I 208C2330 of 24 December 2008.
(3) Based on a share capital composed of 3,501,977 shares representing 6,143,656 voting rights.

3.3 Share price

The table below sets out the data concerning the price of the Company's shares, on a monthly basis, over the past three years:

Month	Highest	Lowest	Average closing price	Trading volume
April 2008	19.00	17.10	18.38	7,093
May 2008	19.50	18.00	18.45	4,343
June 2008	19.00	15.78	18.05	3,133
July 2008	19.00	18.00	18.55	2,680
August 2008	18.75	16.41	18.54	1,582
September 2008	19.00	17.13	18.67	440
October 2008	18.00	16.80	17.54	190
November 2008	17.60	16.00	16.89	50
December 2008	17.60	14.00	16.46	173
January 2009	16.90	16.00	16.45	22
February 2009	16.00	13.00	15.50	70
March 2009	16.90	16.90	16.90	28
April 2009	16.90	16.40	16.83	16
May 2009	16.90	10.50	14.19	683
June 2009	11.80	9.30	9.90	7,205
July 2009	9.44	8.15	8.97	1,531
August 2009	9.44	8.00	9.10	2,432
September 2009	9.29	8.50	8.96	4,065
October 2009	8.50	8.00	8.25	2,041
November 2009	8.30	7.95	8.25	5,480
December 2009	8.25	7.99	8.15	3,564
January 2010	8.00	7.70	7.91	1,199
February 2010	7.80	7.70	7.72	1,940
March 2010	8.00	7.75	7.97	799
April 2010	7.99	7.69	7.77	910
May 2010	8.00	7.69	7.86	149
June 2010	8.01	7.65	7.75	251
July 2010	8.91	8.00	8.59	244
August 2010	8.87	8.00	8.64	1,926
September 2010	8.20	7.99	8.00	631
October 2010	7.99	7.31	7.60	3,842
November 2010	7.41	6.60	7.19	3,207
December 2010	7.51	6.99	7.17	2,513
January 2011	7.40	7.39	7.39	192
February 2011	7.59	7.30	7.42	1,313
March 2011	7.50	7.10	7.38	1,986

M.R.M.'s stock market capitalisation as of 31 December 2010, based on the last closing price of the 2010 financial year, *i.e.* €7.40, amounted to €25,914,630.

3.4 Employee profit sharing plan

None.

3.5 Dividend payout policy

The dividend payout policy will comply with SIIC rules. In particular, 85% of earnings from building lettings will be paid out before the end of the financial year following the one during which such earnings are realised, and 50% of capital gains from the sales of buildings, shares in tax-transparent property companies or shares of subsidiaries liable for corporate income tax having the option, will be paid out in dividends prior to the end of the second financial year following the one in which they were realised; and dividends received from subsidiaries having opted for it to be redistributed in full during the financial year that follows their collection.

3.6 Management report for the financial year ended 31 December 2010

Combined General Meeting of 9 June 2011

Ladies and Gentlemen,

Your management has called you to this Combined General Meeting in compliance with the Articles of Association and the French Commercial Code, in order to report to you on your Company's business activities over the financial year ending 31 December 2010, the earnings for the year and outlook for the future, and to submit for your approval the separate and consolidated financial statements for said period. Those financial statements are attached.

You were duly notified and called to the meeting, as prescribed by law, and all mandatory documents under rules and regulations in force were put at your disposal within the legal time frame.

1 Company Business and Situation

1.1 Situation and business of the Company over the previous financial year

1.1.1 Business Overview

A listed property investment company, M.R.M. holds a portfolio of office and retail properties, composed of stabilised properties and properties with value-added opportunities. Its asset portfolio has been progressively built up since the second half-year 2007 with the asset contribution from Dynamique Bureaux and Commerces Rendement, two investment companies created and managed by CB Richard Ellis Investors, and the acquisitions made by its subsidiaries in their own right.

M.R.M. is listed on Eurolist in Compartment C of NYSE Euronext Paris (France) (ISIN code: FR0000060196 – Bloomberg code: M.R.M.: FP - Reuters code: M.R.M.PA).

M.R.M., whose property transactions are managed by CB Richard Ellis Investors, an investment management subsidiary of the world leader in property services, CB Richard Ellis, implements a dynamic strategy for enhancing the value and management of its assets based on yield and capital gains. To adapt quickly to a market that has become more difficult, M.R.M. established adjustment measures for its operations in early 2009. The implementation of these measures continued in 2010. These measures are:

- refocusing investments on the existing portfolio;
- increased selectivity made possible by the option of spreading out the implementation of upgrading programmes over time;
- cost revisions;
- arbitrages with a target of €120 million in sales during the 2009-2010 period;
- and renegotiating the financing lines with the earliest maturities.

1.1.2 Company history

Before its reorientation, M.R.M. was initially a holding company, the head of a group organized around three business areas – manufacturing and sales of velvet products (J.B. Martin Holding), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic cables and tubes (MR Industries).

1.1.3 Principal Dates in the Past Financial Period

9 February 2010: M.R.M. announced that four restaurants operated under the Pizza Hut brand in the Paris region had been sold for €6.5 million.

15 February 2010: M.R.M. announced that Mr Peter DiCorpo had been appointed to the Board of directors of M.R.M. as representative of CB Richard Ellis Investors SAS, replacing Thibault de Valence.

25 February 2010: M.R.M. published its annual results for 2009.

20 April 2010: M.R.M. announced an extensive refinancing agreement maturing in 2015 to extend the repayment dates and reduce outstanding debt with 2010 maturity by over €90 million.

3 May 2010: M.R.M. announced the publication and availability of the 2010 Registration Document.

12 May 2010: M.R.M. published financial information for the first quarter of 2010.

29 June 2010: M.R.M. announced that two office buildings valued at €39.5 million had been sold, relieving it from its bank debt with final maturity in 2010.

10 June 2010: The General Meeting of M.R.M. shareholders held on 10 June 2010 approved, among other items, the following transactions:

- **Ordinary decisions:**
  - examination and approval of the separate financial statements for the financial year ended 31 December 2009;
  - appropriation of income for the financial year ended 31 December 2009;
  - examination and approval of the consolidated financial statements for the financial year ended 31 December 2009;
  - statutory auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code;
  - authorisation to be granted to the Board of directors for the Company to purchase its own shares;
  - determination of directors' remuneration.

29 July 2010: M.R.M. published financial information for the second quarter of 2010 and announced that the Crysalis office building in Nanterre had been sold for €49.2 million.

18 October 2010: M.R.M. announced the opening of the Fuxia restaurant and the new La Grande Récré store in Galerie du Palais in Tours.

16 September 2010: M.R.M. published the interim results for 2010 and announced the publication and availability of the interim financial report.

10 November 2010: M.R.M. published financial information for the third quarter of 2010.

17 December 2010: M.R.M. announced that the Marques Avenue A6 outlet centre had been sold for €50 million.

21 December 2010: M.R.M. stepped up its investment in the Carrefour Ecole-Valentin shopping centre in Besançon.

1.1.4 Equity stakes and controlling interests taken in companies with head offices in France

On 25 June 2010, M.R.M. sold its 100% equity stake in DB Caravelle SAS. No acquisition of shares or control occurred during the financial year ended 31 December 2010.

As of 31 December 2010, M.R.M. controlled 18 companies, compared to 19 as of 31 December 2009.

The list of equity interests is appended to this report.

1.2 Research & Development

In accordance with Article L. 232-1 of the French Commercial Code, we hereby inform you that the Company performed no research and development activity during the past financial year.

1.3 Situation and activity of companies controlled by M.R.M. and their property portfolios

We would like to remind you that the table of subsidiaries and equity interests is appended to the report.

1.3.1 Office portfolio

The stabilised office portfolio represents net annualised rent of €8.4 million as of 1 January 2011, up 5.6% over 1 January 2010. This trend was due to the positive effect of the rental index and the signing of new leases. In 2010, five leases for areas in multi-occupancy buildings were signed at an annual rent of €0.4 million. The occupancy rate of this sub-portfolio as of 31 December 2010 was upheld at 95%.

In 2010, in line with M.R.M's policy of selecting and phasing investments, €4.6 million was invested in programmes for offices with value-added opportunities. These mostly related to the completion of phase I of the refurbishment of the Nova property, a 10,800 sqm building located in La Garenne-Colombes (92) with NF Tertiary Sector Buildings-HQE standard certification for the planning and design phases. In 2010, 13 leases were signed for a total of €1.8 million. The occupancy rate for the portfolio of offices with value-added opportunities was 15% as of 31 December 2010.

1.3.2 Retail property portfolio

As of 1 January 2011, the net annualised rent of the stabilised retail property portfolio was €6.7 million, down 3.1% since 1 January 2010, restated for disposals in 2010, a trend linked to the departure of tenants. In 2010, eight leases were signed at an annual rent of €0.5 million. Occupancy rates of stabilised retail assets are still very high at 94% as of 31 December 2010.

Occupancy rates for retail assets with value-added opportunities with significant value-enhancement potential were 84% as of 31 December 2010. The €4.3 million invested in 2010 mostly related to the partial refurbishment of Galerie du Palais, a 7,000 sqm shopping centre in Tours

(37) city centre. The first phase, relating to a surface area of 2,000 sqm, was completed with the opening of two retail spaces in the front part of the arcade and the refurbishing of the facade. In December 2010, M.R.M. acquired a premises measuring 1,100 sqm in the Carrefour Ecole-Valentin shopping centre in Besançon (25), leased to Cafétéria Casino for €2.4 million excluding transfer taxes. The Group now holds the entire shopping arcade around the Carrefour hypermarket. This represents a surface area of 4,000 sqm organised into 32 stores and fully leased. In 2010, seven leases were signed in the portfolio of retail properties with value-added opportunities at an annual rent of €0.5 million. Net annualised rent amounted to €1.8 million as of 1 January 2011.

1.3.3 Changes to the portfolio

At end December 2010, M.R.M.'s property portfolio was valued at €339.7 million, up 0.6% on a like-for-like basis, *i.e.* in comparison with the value as of 31 December 2009 restated for the assets sold in 2010.

As part of the programme of disposals set up in early 2009, M.R.M. sold assets for a total price of €151 million excluding transfer fees (€2.5 million of which subject to conditions). These related to the premises of four Pizza Hut restaurants in the Paris area, two retail assets (one in Brétigny-sur-Orge, the other in Angoulême), three office buildings (located in Nanterre, Clichy-la-Garenne and Levallois-Perret) and the Marques Avenue A6 centre in Corbeil-Essonnes.

In line with its policy of selecting and phasing property value-enhancement programmes, M.R.M.'s investments in 2010 were limited to €11.1 million. This amount includes the acquisition of a premises measuring 1,100 sqm in the Carrefour Ecole-Valentin shopping centre in Besançon for €2.4 million excluding transfer taxes. The change in fair value of the portfolio amounted to a loss of €9.2 million at end December 2010. The €4.3 million gain recorded by M.R.M.'s stabilised asset portfolio did not offset the value adjustment recorded for some office properties with value-added opportunities.

At end December 2010, the 15 office properties located in Ile-de-France represented 58% of M.R.M.'s property portfolio, and the nine retail complexes located in Ile-de-France and the regions represent the remaining 42%. The entire property portfolio develops a total area of 171,956 sqm divided between 87,741 sqm in offices and 84,215 sqm in retail.

Portfolio value (excluding transfer taxes)	Offices		Retail		M.R.M. Total	
in millions of euros as of 31 December	2010	2009	2010	2009	2010	2009
Stabilised	116.6	199.9	102.0	166.1	218.6	366.0
With value-added opportunities	80.8	89.2	40.4	36.5	121.1	125.7
M.R.M. TOTAL	**197.3**	**289.1**	**142.4**	**202.6**	**339.7**	**491.7**

The distribution is now 64% stabilised properties, compared to 75% at end December 2009, and 36% properties with value-added opportunities, compared to 25% at end December 2009. This is due to the asset disposal programme relating in particular to stabilised properties whose value-enhancement programmes have been completed.

1.3.4 Net Asset Value

In 2010, investments amounted to €11.1 million, compared to €16.1 million in 2009. Under assets, Group net cash grew to €12.2 million at the end of 2010, compared to €9.5 million one year previously.

As of 31 December 2010, as a result of disposals, the liquidation net asset value was €5.4 per share and the replacement net asset value was €10.9 per share, compared to €10.7 and €18.1 per share respectively as of 31 December 2009.

Net Asset Value	12/31/2010	12/31/2009
Liquidation NAV/share	€5.4	€10.7
Replacement NAV/share	€10.9	€18.1

1.3.5 Net operating cash flow

Despite the reduction in rental revenues as a result of disposals, net operating cash flow was positive at €5.5 million, thanks mostly to the reduction in operating expenses and net financial costs. Net operating cash flow was €6.7 million in 2009.

Net operating cash flow *in millions of euros*	2010	2009	Changes 2010/09
Net rental revenues	22.7	26.9	-16%
Other operating income	0.6	1.6	
Operating expenses	(6.5)	(7.4)	
Other operating expenses	(0.1)	(0.4)	
EBITDA	**16.7**	**20.7**	**-19%**
Net cost of debt	(11.2)	(14)	-20%
Net operating cash flow	**5.5**	**6.7**	**-17%**

1.3.6 Debt

Disposals in 2010 largely helped bring bank debt down to €271.3 million as of 31 December 2010, compared to €394.6 million at end 2009. It now accounts for 79.9% of the value of the portfolio. The average margin on such debt is 142 basis points (excluding impact of set-up fees). It is 100% hedged by cap-type financial instruments.

M.R.M. also has an issued bond of €54 million maturing at end 2013.

Finally, as of 31 December 2010 M.R.M. is in compliance with all its commitments in terms of Loan to Value Ratio (LTV) and Interest Cover Ratio (ICR).

1.4 Foreseeable changes and outlook

M.R.M., which has had SIIC status since 1 January 2008, intends to pursue its growth as a real estate investment company specialising in office and retail property by implementing a dynamic property upgrading and management strategy, with yield and value creation as its targets, according to selective investment criteria.

2010 proceeded in line with the priorities set:

- in line with its policy of selecting and phasing property value-enhancement programmes, M.R.M.'s investments in 2010 were limited to €11.1 million. This amount includes the acquisition of a premises measuring 1,100 sqm in the Carrefour Ecole-Valentin shopping centre in Besançon for €2.4 million excluding transfer taxes;
- its cost revision policy has borne fruit, with the negotiation of a 20% discount on fees paid to CB Richard Ellis Investors compared with 2010 for its management of property operations for M.R.M. in 2010;
- in 2010, M.R.M. sold assets for a total price of €151 million (€2.5 million of which subject to conditions), thus achieving the disposal programme target set up in early 2009. Total net cash of €17.4 million was generated by these sales;
- throughout 2010, M.R.M. worked on renegotiating its financing lines reaching maturity in 2010 and 2011. At present, the Company has no more debt maturing in 2010 and its debts maturing in 2011 have been reduced to €31 million (maturity: July 2011). This outcome is the fruit of the following actions:
  - in April 2010, M.R.M. carried out a significant refinancing operation through the establishment of a new €91.2 million loan used to repay a banking debt of €93.7 million maturing in April 2010. The new loan, backed by a portfolio of retail assets, is made up of a €85.8 million tranche maturing in 2015, supplemented by a second tranche of €5.4 million maturing in 2011. This second tranche was reduced to €4.5 million in late December 2010,
  - at end June 2010, the disposal of a company holding two office properties in Clichy-la-Garenne (92) and Levallois-Perret (92), valued at €39.5 million relieved M.R.M. from its bank undertaking with August 2010 maturity while contributing to its cash flow requirements,
  - on 2 July 2010, the credit agreement maturing on 31 July 2011 was amended. The purpose of this amendment was to gradually reduce the LTV ratio to 60% on this loan, and to provide for an extension or possible refinancing at maturity,
  - on 17 February 2011, a €83.6 million line of credit reaching maturity on 27 September 2011 was restructured and maturity was postponed to 31 December 2013 (see section 1.5 on important events since the closing of the financial year).

In 2011, M.R.M. will continue its selective asset value-enhancement policy. Planned investments for 2011 include in particular:

- phase II of the work on the 10,800 sqm Nova office building, located at La Garenne-Colombes (92), a phase that mainly concerns the internal refitting of the premises;
- the implementation of the conversion work on the Solis property to the tenant's requirements, following the signing of a lease in December 2010 for the entire mixed-use office and warehouse building, which has a surface area of 10,700 sqm and is located in Ulis (91). Office space will be increased by 2,300 sqm through the conversion of areas currently intended for use as warehouses and through the construction of an additional 1,200 sqm. The tenant is expected to move in during the fourth quarter of 2011.

The Group is also pursuing its marketing of vacant office space that has already been renovated.

1.5 Important events since the closing of the financial year

On 17 February 2011, the Group signed an amendment to the credit agreement dated 28 September 2007. The purpose of this agreement is to restructure the line of credit maturing on 27 September 2011 and which amounted to €83.6 million as of 31 December 2010. This line of credit is backed by a portfolio of five office properties.

Following this agreement, two lines of credit were set up. The first line of credit, totalling €49.5 million, matures at end 2013. The second totalled €10 million, €4 million of which was repaid at the time of signing, with the remaining €6 million to be paid back over three years. This agreement, which sets out a plan to dispose of the five assets by end 2013, provides for the bank to take a share of the sales income.

As some of these assets require the implementation of a value-enhancement programme, the agreement provides for an additional line of credit. This will be used to finance works, in particular phase II of the refurbishment work on the Nova building located at La Garenne-Colombes.

Following this agreement, M.R.M.'s total bank debt maturing in 2011 was reduced from €114.6 million as of 31 December 2010 to €31 million. Total bank debt was reduced to €243.2 million compared to €271.3 million as of 31 December 2010. This restructuring agreement also brought the liquidation net asset value to €12 per share, compared to €5.4 at end 2010, and also brought the LTV ratio (bank debt as a proportion of total assets) down to 71.6%, compared to 79.9% at end 2010.

1.6 Principal risks and uncertainties facing the Company

The risks and uncertainties facing the Company are, on the date of this report, those which could have a material adverse impact on the Company, its business, its position, its earnings or share price, and which are important with regard to investment decisions. The Company has assessed the risks which could have a significant negative impact on its activity, its financial position or its earnings (or on its capacity to achieve its objectives) and it believes that there are no significant risks other than those presented in chapter 2 of the 2010 Registration Document and, with regard to financial risks, in the notes to the consolidated financial statements for the financial year ended 31 December 2010.

2 Presentation of the annual financial statements - FY 2010 earnings

2.1 Separate financial statements

The annual financial statements for the year ended 31 December 2010, which we submit to you for approval, (appended hereto) were drawn up according to the format and using the valuation methods prescribed by rules and regulations in force. Presentation and valuation rules used were the same as for the previous period.

M.R.M.'s business over 2010 was that of a holding company. Its earnings for the period were affected by the following:

- €132 thousand in operating revenue;€2.271 million in reversals of provisions on current accounts;
- €1.306 million in other external purchases and expenses;€32 thousand in taxes and duties;
- €123 thousand in employee benefit expenses;
- €18.533 million in depreciations:
  - €4.470 million for provisions on current accounts of SCI Noratlas and DB Tucano,
  - €14.063 million in provisions for the quota share of net assets in SCI Noratlas;
- €5.278 million in financial profit, of which €4.431 million in reversals of financial provisions on equity investments (mainly DB Albatross) and €1.463 million in financial expenses, mainly interest and similar expenses, thereby revealing a financial profit of €3.815 million;
- €2.245 million in exceptional income related to the disposal of shares in DB Caravelle on 25 June 2010.

Consequently, the net accounting income is a loss of €11.553 million.

The losses for the financial period ended 31 December 2010 brought total Company equity below half of share capital. Pursuant to the provisions of Article L. 225-248 of the French Commercial Code, the Combined General Meeting called to approve the 2010 financial statements will also be called on, as an Extraordinary General Meeting, to wind up the Company early or to continue trading. If the meeting agrees to continue trading, total Company equity must be brought above half of share capital no later than the end of the second financial period after the period during which the losses were recorded.

The statement of financial position total for the financial year is €69.514 million, made up mostly of equity securities of the subsidiaries, held directly or indirectly as of 100%, of the current accounts between the Company and its subsidiaries, and the Company's cash assets.

The table showing the Company's results is appended hereto, as set out by Article R. 225-102 of the French Commercial Code.

2.2 Consolidated financial statements

Pursuant to European Regulation 1606/2002 of 19 July 2002, the annual consolidated financial statements of M.R.M. group are prepared in accordance with the standards and interpretations of the International Accounting Standards (IASB) as applicable and as adopted by the European Union as of the date of issue of the financial statements determined by the Board of directors.

The new standards and amendments to existing standards and obligatory interpretations from 1 January 2010 are as follows:

- revised IFRS 3 – Business Combinations;
- revised IAS 27 – Consolidated and Separate Financial Statements;
- amendment to IAS 39 – Eligible Hedged Items;
- revised IFRS 1 – First adoption of IFRS;
- annual improvements to IFRS standards (published 16 April 2009);
- amendment IFRS 2 – Group and treasury share transactions;
- IFRIC 12 – Service Concession Arrangements;
- IFRIC 15 – Agreements For the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 - Distributions of Non-cash Assets to Owners (dividends in kind);
- IFRIC 18 - Transfers of Assets from Customers.

These new standards had no significant impact on the Group's accounts as of 31 December 2010.

2.2.1 Changes in scope

During FY 2010, no company entered the scope of consolidation of M.R.M. However, as of 25 June 2010, DB Caravelle was removed from the scope of consolidation through the disposal of all shares held.

2.2.2 Consolidated income statement

Consolidated gross rental revenue from investment properties totalled €25.315 million, mainly from rents and rental income in the Group's portfolio.

Non-recuperated external property expenses came to a loss of €2.577 million, for net rental revenues of €22.738 million.

Net operating expenses, totalling a €6.747 million loss in 2010, fell 10% on 2009: they mainly broke down into operating expenses of €6.476 million and a loss of €271 thousand in net provisions.

Current operating income amounted therefore to €15.992 million.

Operating income was a loss of €4.87 million after accounting for revenue from items removed from assets (-€12.111 million), the change in fair value affecting property assets (-€9.225 million), and net non-current operating income (-€475 thousand) – mostly in fees and tax repayments.

Net financial loss was €13.592 million as of 31 December 2010, broken down essentially as follows:

- net cost of debt, *i.e.* -€10.427 million (-€10.044 million in related interest and expenses, €10 thousand in interest received, and -€21 thousand in net expenses on disposal of marketable securities) and €373 thousand in other financial expenses;
- change in value of the financial instruments and Sicav funds, *i.e.* a loss of €643 thousand;
- discounting payables and receivables, *i.e.* -€2.521 million.

Given the preceding, and the entry of a tax expense of €102 thousand, net income after taxes was a loss of €18.563 million, equivalent to earnings per share of -€5.34.

2.2.3 Consolidated balance sheet

As of 31 December 2010, net non-current assets stood at €267.934 million. The reduction in these items over the financial year is due to the decreasing value of the portfolio, partly offset by refurbishment work done and the acquisition made during the financial period, as well as the reclassification of properties as either "investment properties" or "properties held for sale". Investment properties as of 31 December 2010 totalled €267.910 million.

Current assets, which totalled €101.072 million as of 31 December 2010 are mainly broken down into properties held for sale (€71.794 million), trade receivables (€4.094 million), other receivables such as service charges, tax receivables, etc. (€12.455 million) and cash and cash equivalents (€12.175 million).

Under liabilities, consolidated equity amounted to €18.800 million at the end of the financial period.

Non-current liabilities came to €213.280 million as of 31 December 2010. These are Group debts payable at more than one year, made up of an issued bond of €54 million, bank debt of €156.685 million and €2.595 million in guarantee deposits received from tenants.

Current liabilities, payable at under one year, totalled €136.926 million as of 31 December 2010. This amount is essentially composed of €122.747 million in bank debt and accrued interest, €3.853 million in debts to vendors of goods and services and fixed assets, €2.916 million as the current share of the exit tax, and €7.410 million in other tax and operating debts.

In accordance with Articles L. 225-100 and L. 233-16 of the French Commercial Code, we hereby ask you to approve the consolidated financial statements attached hereto.

2.3 Appropriation of income

We propose the appropriation of the loss for the year ended 31 December 2010, being (€11,552,840), as follows:

- Origin:

Net loss for the year: €11,552,840

- Appropriation

Retained earnings: €11,552,840

2.4 Dividends paid out in previous years

In accordance with Article 243 bis of the General Tax Code, we point out that no dividends have been distributed over the previous three financial years.

2.5 Non-tax-deductible expenses

Pursuant to Articles 223 *quater* and 223 *quinquies* of the General Tax Code, we point out that the financial statements for the previous year do not take account of expenses non-deductible for tax purposes.

3 Information concerning the Share Capital as of 31 December 2010

3.1 Changes in the Share Capital in FY 2010

As of 1 January 2010, share capital was €28,015,816, divided into 3,501,977 fully paid-up shares of €8 each. This situation remained unchanged as of 31 December 2010, since there were no transactions on the share capital during FY 2010.

Shares are in either registered or bearer form, at the discretion of the shareholder, subject to the mandatory provisions laid down in Articles 6 and 7 of the Articles of Association.

3.2 Information on shareholding

In accordance with Article L. 233-13 of the French Commercial Code, we indicate the identity of those natural and legal persons holding, directly or indirectly as of 31 December 2010, more than 5%, 10%, 15%, 20%, 25%, one-third, 50%, two-thirds, 90%, or 95% of the share capital or voting rights in General Meetings. We additionally inform you of any change in the total number of voting rights in the Company, related to the acquisition of a certain number of double voting rights, bringing the total number of voting rights exercisable on the date of this report to 6,390,476, up from 5,877,774. The tables below account for this new number of voting rights.

More than 5% and less than 10%:

Shareholders	On the date of this report	As of 31 December 2010	As of 31 December 2009
CARAC [veterans' pension fund]	9.2% of share capital 10% of voting rights	9.2% of share capital 10% of voting rights	9.2% of share capital 10% of voting rights
Société Civile TF Entreprises	5.5% of share capital 6.0% of voting rights	5.5% of share capital 6.0% of voting rights	5.5% of share capital 6.5% of voting rights
SNC CAM 62 Développement	4.7% of voting rights	4.7% of voting rights	5% of voting rights

More than 10% and less than 20%:

Shareholders	On the date of this report	As of 31 December 2010	As of 31 December 2009
CB Richard Ellis Investors group: - CB Richard Ellis European Warehousing Europe Sàrl - CB Richard Ellis Investors Europe Holding BV - CB Richard Ellis Investors DB Co-invest LLC	17.1% of share capital 18.7% of voting rights	17.1% of share capital 18.7% of voting rights	17.1% of share capital 15.9% of voting rights

For your information, as of this date, Jacques Blanchard, Chairman and CEO of the Company, holds 42,839 shares, of which 42,838 through his personal holding company, JAPA. Therefore, he holds 1.2% of the capital and 1.3% of the voting rights, directly and indirectly.

Cross-shareholdings

At the reporting date of FY 2010, companies controlled by the Company held no stake in the Company.

Treasury shares - share buyback plan

At the start of FY 2010, the Company held 19,483 treasury shares.

On 24 December 2007, M.R.M. signed a liquidity agreement with CM-CIC Securities in the amount of €18 thousand per year excluding tax, for the purpose of improving liquidity and the regularity of quotations. This liquidity agreement was amended on 17 November 2010 for a total of €50,000.

In addition, a buyback programme was implemented in FY 2010 with the following objectives:

- to take steps on the market for the purpose of stabilising the price of the Company's shares or ensuring the liquidity of the Company's shares *via* the intermediary of an investment services provider;
- to hold shares as treasury stock for subsequent remittance in exchange or payment for acquisitions;
- to ensure coverage of share buyback programmes and other forms of allocation of shares to employees and/or corporate officers of the Group in accordance with legal requirements, particularly in respect of profit sharing, Company savings plans or bonus share allocations;
- to ensure coverage of marketable securities entitling the holder to the allocation of shares in the Company within the framework of applicable regulations.

These objectives are presented without prejudice to the effective order of use of the authorisation to buy back shares, which would be dependent on needs and opportunities. The number of shares purchased by the Company with a view to being held as treasury stock for subsequent remittance in exchange or payment for a merger, de-merger or contribution may not exceed 5% of its share capital.

In financial year 2010, the Company acquired 6,480 treasury shares, for an average price of €7.76 per share, and disposed of 2,403 shares for an average price of €7.78 per share. These transactions were completed *via* the above-mentioned liquidity agreement.

At the end of the year, the Company therefore held 23,560 treasury shares, representing 0.67% of the Company's share capital. These securities are entered as Company assets in its separate financial statements, and deducted from equity in the consolidated financial statements.

Shareholders will be asked at the Combined General Meeting of 9 June 2011 to approve the renewal of this authorization to buy back shares.

3.3 Delegations for capital increases

Pursuant to Article L. 225-100 paragraph 7 of the French Commercial Code, there are no current delegations by the General Meeting of Shareholders to the Board of directors in the area of capital increases as of 31 December 2010, pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

We remind you that the Board of directors should, on a three-year cycle, propose that the General Meeting decide upon the delegation of authority to the Board of directors with a view to proceeding with a capital increase reserved for members of Group employee savings plans.

As a result of the approaching of this three-year term, it will be proposed that the Combined General Meeting of 9 June 2011 decide upon such a delegation of authority. As such a resolution is proposed solely for the purposes of compliance with a legal obligation, the Board of directors does not call for a vote in its favour.

3.4 Employees holding equity stakes

In accordance with Article L. 225-102 of the French Commercial Code, we hereby inform you:

- that no employee held any interest in the Company's share capital at the last day of FY 2010;
- that no shares have been acquired for the purpose of allotting them to employees in a profit-sharing scheme.

Pursuant to Articles L. 225-184 and L. 225-197-4 paragraph 1 of the French Commercial Code, we hereby inform you:

- that the Company has no warrant or stock option plans;
- that no bonus shares have been attributed free of charge to salaried staff or managers of the Company.

In accordance with the three-year obligation as set out in Article L. 225-129-6 of the French Commercial Code, an Extraordinary General Meeting will be convened to rule on a draft resolution to issue shares or securities giving access to the Company's capital reserved to members of the Group's company savings plan as provided for in Articles L. 3332-18 to L. 3332-24 of the Labour Code.

3.5 Share performance in the stock exchange

M.R.M.'s stock market capitalisation as of 31 December 2010, based on the last closing price of the 2010 financial year, *i.e.*, €7.40, amounted to €25,914,629.

Below is a graph showing the change in the stock exchange price:

In accordance with Article L. 621-18-2 of the French Monetary & Financial Code, no transaction was taken on the Company's shares during the financial year ended 31 December 2010 by the individuals mentioned in this article (Company managers, senior managers, and individuals to whom they are closely tied).

3.6 Items likely to have an impact in the event of a takeover bid

There are no items likely to have an impact in the event of a takeover bid within the meaning of Article 225-100-3 of the French Commercial Code.

4 Social and environmental information

Continuing to promote the restructuring and upgrading of its properties, the Company pursued its commitment to the development process during FY 2010, reconciling environmental conservation, economic efficiency, and social equity.

The Company's employees include one person in an executive position, employed in an open-ended contract. There were no new hires in 2010.

During FY 2010, the Company continued to comply with France's H.Q.E. (High Environmental Quality) programme, which takes full account of the challenges of sustainable development, by limiting the impact of building construction on the environment and opting for a harmonious integration, perfectly adapted to the needs and comfort required by the users of such buildings.

For its heavy restructuring operations in La Garenne-Colombes, M.R.M. adapted its programmes to incorporate the H.Q.E. process, despite the need to account for the constraints of sites and structures of existing buildings. The additional costs incurred by the adoption of the procedure are controlled and M.R.M. sees them as investments which contribute to value creation.

In its operations, the Company adheres to and sees that its service providers adhere rigorously to environmental regulations in all stages of property investing (acquisition, design, property management).

This concerns, as an example, detection of asbestos and other harmful or hazardous materials contained in properties considered for acquisition, drawing up and updating technical reports on asbestos for properties in the portfolio, as well as on insulation and energy performance standards for properties undergoing restructuring. As to the properties being renovated, M.R.M. pays great attention to the treatment of communal areas and landscaped spaces. M.R.M. plans to reposition its properties in their environment by incorporating the changes in town planning and the enhancement of natural landscaped surroundings.

As a company keenly aware of the importance of sustainable development, M.R.M. anticipates changes in regulations, and where shopping centres are concerned, to consumers' expectations. Regarding water management, the Vivier shopping centre in Allonnes is equipped with a system for recovering and storing rainwater in a 55 cubic metre underground cistern, used for watering landscaped areas on site by a drip system, thus saving on water consumption while making the area more pleasant for users.

5 Agreements Subject to Articles L. 225-38 and L. 225-39 of the French Commercial Code

Pursuant to the laws and regulations in effect, we are providing you with the special statutory auditors' report on the agreements covered in Articles L. 225-38 *et seq*. of the French Commercial Code.

We would also like to point out that the list and purposes of current agreements entered into on normal terms which, due to their purpose or financial implications, are significant for the parties concerned, have been notified to the members of the Board of directors and the statutory auditors.

6 Statutory auditors

Our statutory auditors submit reports on their missions for the Company, as prescribed by law.

We hereby inform you that the term of office of the statutory auditors has expired as of this General Meeting.

Consequently, the General Meeting called to approve the financial statements for the financial year ending 31 December 2010 will also be called on to renew the term of office of the Company's permanent and deputy statutory auditors or to appoint new permanent and deputy statutory auditors.

We propose the renewal of the term of office of the current statutory auditors, RSM CCI Conseils as Principal Auditor and Mr Roland Carrier as Deputy Auditor, for a term of six years expiring at the end of the 2017 General Meeting convened to approve the financial statements for the financial year ending 31 December 2016, said auditors having informed the Company that they accepted the renewal of their term of office.

Furthermore, during the meeting of the Board of directors of 14 April 2011, KPMG SA, the permanent statutory auditors of our Company, notified the Board of a change in the legal structure of KPMG for its statutory auditor activity. As a result, with the arrival of the term of their appointment as permanent and deputy statutory auditors, KPMG SA has asked the Board if it would propose that the meeting proceed with the appointment of the new KPMG entities to these roles, relevant for companies whose securities are admitted for trading in a regulated market.

We therefore propose that you appoint the company KPMG Audit FS I, represented by Régis Chemouny, as permanent statutory auditor to replace the company KPMG SA, and the company KPMG Audit FS II, represented by Malcolm McLarty, to the role of deputy statutory auditor to replace Arnaud Scrève, partner of KPMG SA.

We hereby inform you that the Board of directors approved this renewal and these appointments at its meetings of 23 February 2011 and 14 April 2011, after having heard the opinion of the Audit Committee without the Chairman taking part in the vote, in accordance with Article L. 225-228 of the French Commercial Code.

7 Information on payment terms for the Company's suppliers

As of 31 December 2010, the Company's trade payables totalled €8 thousand and were all at under 60 days' maturity, compared to €101 thousand as of 31 December 2009, also all at under 60 days' maturity.

8 Information on corporate officers and senior management

On 15 February 2010, following the resignation of Thibault de Valence from his position as permanent representative of CB Richard Ellis Investors SAS on the Company's Board of directors, Peter DiCorpo was appointed permanent representative of CB Richard Ellis Investors SAS on the Company's Board of directors.

Following this change, as of 31 December 2010, the Board of directors comprises:

- Jacques Blanchard, Chairman of the Board of directors and Chief Executive Officer, appointed for a term of four years;
- Gérard Aubert, independent director, appointed for a term of four years;
- CB Richard Ellis Investors SAS, appointed for a term of two years, represented by Peter DiCorpo;
- CB Richard Ellis European Warehousing Sàrl, appointed for a term of four years, represented by Olivier Lemaistre;
- SPE Office Sàrl, appointed for a term of two years, represented by Eric Ravoire;
- SPE Finance Sàrl, appointed for a term of two years, represented by Frank Vitaglione;
- and Séverine Farjon, independent director, appointed for a term of two years.

The Board of directors is in compliance with French Act no. 2011-103 which came into force on 27 January 2011 on the balanced representation of men and women in boards of direction, as it already counts at least one representative of each gender.

8.1 List of corporate offices

Pursuant to Article L. 225-102, paragraph 3 of the French Commercial Code, a list of all offices and positions held in any company by each of the corporate officers of the Company is appended hereto.

8.2 Remuneration and benefits paid to corporate officers

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, we now report the total remuneration and benefits of any nature paid by the Company or by companies under its control within the meaning of Article L. 223-16 of the French Commercial Code and by the Company controlling the company within the meaning of the same Article, to each of the corporate officers during FY 2010.

With the exception of Gérard Aubert and Séverine Farjon, during FY 2010, the Company's corporate officers received no remuneration or benefits of any kind from the Company and the companies it controls, within the meaning of Article L. 233-16 of the French Commercial Code.

The corporate officers receive no benefit.

The Company's unpaid corporate officers are:

- Jacques Blanchard, Chairman and Chief Executive Officer of M.R.M. SA;
- CB Richard Ellis Investors SAS, a company represented by Peter DiCorpo, director;
- CB Richard Ellis European Warehousing Sàrl, a company represented by Olivier Lemaistre, director;
- SPE Office Sàrl, a company represented by Eric Ravoire, director;
- SPE Finance Sàrl, a company represented by Franck Vitaglione, director.

Independent directors received the following director's fees:

- Gérard Aubert: €6,000 for his activities on the Board of directors in 2010;
- Séverine Farjon: €13,500 for her activities on the Board of directors and the Audit committee in 2010.

8.3 Renewal of corporate offices

We hereby inform you that the terms of office of CB Richard Ellis Investors SAS, SPE Office Sàrl and SPE Finance Sàrl and of Séverine Farjon have expired as of this General Meeting.

Consequently, the General Meeting called to approve the financial statements for the financial year ending 31 December 2010 will also be called on to renew the terms of office of CB Richard Ellis Investors SAS, SPE Office Sàrl, SPE Finance Sàrl and Séverine Farjon or to appoint new directors to replace those whose terms of office have expired.

We propose the renewal of the term of office of the directors whose terms of office have expired for a term of four years expiring at the end of the 2015 General Meeting convened to approve the financial statements for the financial year ending 31 December 2014, said directors having informed the Company that they accepted the renewal of their term of office.

8.4 Procedures for general management

Pursuant to Article R. 225-102 of the French Commercial Code, we hereby indicate that the procedures for the general management of the Company were not amended during FY 2010. The Board of directors deliberated on the procedures for general management at its meeting of 11 June 2009 and decided that the Chairman of the Board of directors would continue to be responsible for general management as authorised by Article L. 225-51-1 of the French Commercial Code.

We hope that the above will meet with your approval and that you will vote in favour of the resolutions proposed to you.

Paris, 14 April 2011

The Board of directors

3.7 Consolidated financial statements for the year ended 31 December 2010

Consolidated statement of financial position

ASSETS

(in thousands of euros)	Note	12/31/10	12/31/09
Intangible assets	Note 1	20	20
Investment properties	Note 2	267,910	287,250
Deposits paid		5	5
NON-CURRENT ASSETS		267,934	287,274
Properties held for sale	Note 3	71,794	204,560
Payments on account		249	298
Trade receivables	Note 4	4,094	8,493
Other receivables	Note 5	12,455	8,896
Derivatives	Note 6	304	673
Cash and cash equivalents	Note 7	12,175	9,506
CURRENT ASSETS		101,072	232,427
TOTAL ASSETS		**369,006**	**519,702**

EQUITY AND LIABILITIES

(in thousands of euros)	Note	12/31/10	12/31/09
Share capital		28,016	28,016
Additional paid-in capital		42,834	42,834
M.R.M. treasury shares		(275)	(269)
Reserves and retained earnings		(33,211)	767
Profit (loss) for the period		(18,563)	(33,978)
GROUP EQUITY		18,800	37,370
Non-controlling interests		0	0
EQUITY		18,800	37,370
Provisions	Note 8	0	0
Tax liabilities	Note 9	0	3,226
Bonds	Note 10	54,000	54,000
Bank debts	Note 10	156,685	138,095
Guarantee deposits received	Note 10	2,595	3,407
NON-CURRENT LIABILITIES		213,280	198,729
Current borrowings	Note 10	122,747	261,851
Trade payables		2,473	2,459
Debts payable against non-current assets	Note 11	1,380	4,032
Other liabilities	Note 12	10,326	15,261
CURRENT LIABILITIES		136,926	283,602
TOTAL EQUITY AND LIABILITIES		**369,006**	**519,702**

Consolidated statement of comprehensive income

Consolidated income statement

(in thousands of euros)	Note	12/31/10	12/31/09
Gross rental revenues	Note 13	25,315	30,352
External property expenses not recovered	Note 14	(2,577)	(3,431)
Net rental revenues		**22,738**	**26,921**
Operating expenses	Note 15	(6,476)	(7,410)
Reversals of provisions		249	391
Provisions		(520)	(471)
Total current operating income and expenses		**(6,747)**	**(7,490)**
Current operating income		**15,992**	**(19,431)**
Other operating income	Note 16	568	1,591
Other operating expenses		(93)	(351)
Revenue from items removed from assets	Note 17	(12,111)	(2,011)
Change in fair value of investment properties	Notes 2 & 3	(9,225)	(37,101)
OPERATING INCOME		(4,870)	(18,441)
Gross borrowing cost	Note 18	(10,044)	(13,232)
Other financial income and expenses	Note 18	(383)	74
Change in value of financial instruments and marketable securities	Note 19	(643)	(583)
Discounted payables and receivables		(2,521)	(1,665)
FINANCIAL PROFIT (LOSS)		(13,592)	(15,404)
Other non-operating income and expenses		0	0
NET PROFIT (LOSS) BEFORE TAX		(18,462)	(33,846)
Tax expense	Note 20	(102)	(132)
PROFIT (LOSS) FOR THE PERIOD		(18,563)	(33,978)
Profit (loss) for the period attributable to owners of the parent company *(in thousands of euros)*		(18,563)	(33,978)
Profit (loss) for the period attributable to non-controlling interests *(in thousands of euros)*		0	0
Net earnings per share *(in euros)*		(5.34)	(9.76)
Diluted net earnings per share *(in euros)*		(5.34)	(9.76)

** See Accounting Principles and Methods, note 2.2.*

Consolidated comprehensive income

(in thousands of euros)	12/31/10	12/31/09
PROFIT (LOSS) FOR THE PERIOD	(18,563)	(33,978)
Change in revaluation surplus	0	0
Actuarial difference on defined benefit pension obligation	0	0
Profits and losses resulting from translation of financial statements of foreign operations	0	0
Profits and losses related to revaluation of financial assets available for sale	0	0
Actual share of profits and losses on hedging instruments in a cash flow hedge	0	0
OTHER ITEMS OF COMPREHENSIVE INCOME	0	0
Tax expense for other items of comprehensive income	0	0
COMPREHENSIVE INCOME	**(18,563)**	**(33,978)**
Comprehensive income for the period attributable to non-controlling interests *(in thousands of euros)*	0	0
Comprehensive income for the period attributable to owners of the parent Company *(in thousands of euros)*	(18,563)	(33,978)

Consolidated statement of cash flows

(in thousands of euros)	Note	12/31/10	12/31/09
Cash flow:			
Consolidated Profit (Loss)		**(18,563)**	**(33,978)**
Elimination of non-cash expenses and income			
Badwill on contributions			
Change in amortisation, depreciation, impairment, provisions and deferred expenses		271	(101)
Change in fair value of investment properties	Notes 2 & 3	9,225	37,101
Change in fair value of financial instruments and marketable securities	Note 6	643	585
Discounted receivables and payables		2,521	1,665
Net borrowing cost	Note 18	10,427	13,158
Elimination of capital gains and losses on disposal	Note 17	12,111	2,011
Other items with no impact on cash flow		(1,168)	(820)
CASH FLOW:		15,468	19,621
Change in operating working capital:			
Trade receivables		(428)	(236)
Other receivables		(2,241)	2,242
Trade payables		200	(222)
Other payables		(5,965)	(276)
CHANGE IN OPERATING WORKING CAPITAL:		(8,435)	1,509
CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES		7,034	21,130
Acquisition of intangible assets		0	0
Purchases of investment property	Notes 2 & 3	(11,136)	(16,228)
Sales of investment property		105,695	22,290
Change in non-current financial assets		(3)	1
Change in debts payable against non-current assets	Note 11	(2,574)	(10,786)
Acquisition of shares in consolidated companies net of acquired cash		0	0
Disposal of shares in consolidated companies net of cash disposed of		7,871	0
CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES		99,853	(4,722)
Change in debt:			
Increase in bank debts	Note 10	95,934	46,562
Decrease in bank debts	Note 10	(191,687)	(50,980)
Change in other borrowings		(637)	(160)
Other changes:			
Financial Instruments	Note 6	(276)	(958)
Treasury share buybacks		(7)	64
Interest paid		(7,464)	(10,888)
CHANGE IN CASH FLOWS FROM FINANCING ACTIVITIES		(104,136)	(16,359)
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,751	48
Initial cash and cash equivalents		9,425	9,376
Closing cash and cash equivalents		12,175	9,425
Cash	Note 7	*10,950*	*5,111*
Bank overdrafts	Note 10	*0*	*(81)*
Other cash items	Note 7	*1,226*	*4,395*
CHANGE IN CASH POSITION		**2,751**	**48**

In the comparative statement of cash flows as of 31 December 2009, the change in accrued interest was reclassified from bank debts to net borrowing cost (€2.270 million) in order to present the interest paid out.

Over the period, the Group generated €7.034 million in cash flows from operating activities. This cash flow from operating activities was first and foremost used to pay net interest (€7.464 million).

The proceeds from the disposal of buildings and equity investments (€113.566 million) were on the other hand mainly used for early repayment of the loans taken out on the buildings that were sold (€95.436 million).

The cash surplus resulting from asset disposals, net of the aforementioned financing flows, were allocated to finance work on portfolio properties (€9.003 million), to meet contractual repayments on bank loans (€2.573 million), as well as to refinance the initial debt backed by a retail property portfolio (€2.451 million).

Acquisitions of non-current assets (€11.136 million), corresponding to work carried out on the properties and financial expenses capitalised in accordance with IAS 23, as well as the repayment of liabilities on non-current assets (€2.574 million), were financed by means of draw-downs on credit lines (€4.707 million) and out of equity (€9.003 million).

The reduction in bank debts (€191.687 million) reflects the repayment of the initial debt of €93.678 million backed by a retail property portfolio following its refinancing by means of bank loans (€91.227 million) and equity (€2.451 million), the contractual repayment of bank debts (€2.573 million) financed out of equity, and €95.436 million in early loan repayments following the disposal of investment properties and equity investments.

The increase in bank borrowings (€95.934 million) in turn reflects the draw-downs from the credit lines (€4.707 million) and the aforementioned €91.227 million in refinancing.

In FY 2010, the combined cash flows generated by the Group resulted in a €2.751 million improvement in the cash position.

Consolidated statement of changes in equity

	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Comprehensive income	Group equity
Equity as of 12/31/2008	***28,016***	***42,834***	***(333)***	***8,249***	***(7,482)***	***71,284***
Allocation of comprehensive income - 2008	-	-	-	(7,482)	7,482	0
Sale of treasury shares	-	-	64	-	-	64
Total comprehensive income - 2009	-	-	-	-	(33,978)	(33,978)
Equity as of 12/31/2009	***28,016***	***42,834***	***(269)***	***767***	***(33,978)***	***37,370***
Allocation of comprehensive income - 2009	-	-	-	(33,978)	33,978	0
Purchase of treasury shares	-	-	(7)	-	-	(7)
Total comprehensive income - 2010	-	-	-	-	(18,563)	(18,563)
EQUITY AS OF 12/31/2010	**28,016**	**42,834**	**(275)**	**(33,211)**	**(18,563)**	**18,800**

Notes to the consolidated financial statements

Section 1 Company profile

The IFRS consolidated financial statements of the M.R.M. Group as of 31 December 2010 are comprised of the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and these notes.

1.1 General information

M.R.M. is a public limited company ("*société anonyme*") registered on the Paris Trade and Companies Register. Its head office is at 65-67 Avenue des Champs-Élysées 75008, Paris, France

M.R.M., parent company of the consolidated Group, is a holding company with subsidiaries dedicated to holding and managing office and retail properties. It also owns a subsidiary, DB Dynamique Financière, which issues bonds and acts as lender, providing intra-group loans for Group companies. The consolidated financial statements for the 12-month period ending 31 December 2010 encompass the Company and its subsidiaries (hereinafter referred to as the "Group").

The Company is listed on Eurolist, in Compartment C of Euronext Paris (France).

The publication of the Group's consolidated financial statements as of 31 December 2010 was authorised by the Board of directors on 23 February 2011. The consolidated financial statements will be submitted to the General Meeting of Shareholders of 9 June 2011 for approval. They are denominated in thousands of euros, unless stated otherwise. The functional currency of each Group entity is the euro.

For reference, the annual reporting period for all Group companies ends on 31 December.

1.2 SIIC status

On 31 January 2008, the Company opted for SIIC (listed property investment company) status, with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 French Finance Act, is open to listed companies with share capital of over €15 million that are wholly engaged in property activities. It provides companies having opted for SIIC status on an irrevocable basis with an income tax exemption for the portion of their net profit generated from property activities, subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5%, payable over four years.

The M.R.M. stock was added to the Euronext IEIF SIIC France index on 25 March 2008.

1.3 Highlights of the period

In 2010, M.R.M. continued to actively pursue the implementation of the plan to readjust its operations, a plan undertaken in early 2009 in response to the more challenging market climate.

Significant progress was made and major plan milestones passed during the year, providing the Group with more room for manoeuvre:

- firstly, M.R.M. reached the target of €120 million in disposals set out in the asset disposal plan undertaken in early 2009. In parallel, in April 2010 M.R.M. completed the renegotiation of its credit lines that were expiring in 2010;
- M.R.M.'s refocusing on its existing portfolio has enabled significant progress to be made in terms of both rental activity and implementation of its value-enhancing redevelopment programmes. Gross rental revenue thus amounted to €25.3 million, down a modest 2.5% on 2009 at constant scope of consolidation. Moreover, €11.1 million was allocated to capital expenditure programmes.

In addition, against the background of a particularly challenging market environment, the Company profited from its portfolio's strengths: high occupancy rate and positive net operating cash flow.

Investment and Management Policy

In 2010, the Group invested €11.1 million in its value-enhancement programmes. This was primarily on work to redevelop the Nova office building in La Garenne-Colombes and the La Galerie du Palais shopping centre in Tours, as well on erecting a building adjoining the Axéréal de Mer logistics platform, and on buying a 1,100 sqm co-ownership unit in the shopping arcade in the Carrefour Ecole-Valentin shopping centre in Besançon.

Redeveloping the Nova property in La Garenne-Colombes

In early 2010, Nova, an office building undergoing redevelopment encompassing an area of 10,800 sqm, located in La Garenne-Colombes near the La Défense business district, received NF Bâtiments Tertiaires – HQE Standards certification for the Planning and Design phases. The first phase encompassing the façade, structural work, the separation of building equipment from the adjoining residential units, as well as a show area on the 14th floor for the marketing of rental units was completed in June 2010. Following the release of further bank financing (see Events after the reporting period), the final phase, encompassing Building Services and Equipment and finishes and fittings and scheduled to last 15 months, was launched in early 2011.

Refurbishment of La Galerie du Palais in Tours

Launched in February 2010, the redevelopment work involving 2,000 sqm of La Galerie du Palais, a shopping centre located in the heart of the city of Tours, was completed in Q4 2010. La Galerie du Palais now encompasses the building located at the corner of Place Jean Jaurès and Rue Victor Hugo and comprises an area of 7,000 sqm split into 19 retail units. Fuxia, the Italian restaurant chain, as well as the new La Grande Récré store now open out onto Place Jean Jaurès. The complex has a new look with a modernised façade consisting of 2-storey glass walls, a rotunda protruding out onto Place Jean Jaurès representing the main entrance to the gallery and the reconfiguration of the street-facing premises. To support this transformation, La Galerie du Palais modernised its look with new signs and the refreshing of the external signposting. La Galerie du Palais is thereby enhancing its appeal within the retail district in Tours city centre, at the heart of a catchment area of some 300,000 people.

Marketing efforts made progress with the vacancy rate falling from 49% in January to 27% in December 2010 (deals signed for some 1,500 sqm).

Marques Avenue A6 in Corbeil-Essonnes

Having received permission from the CDAC (*Commission Départementale d'Aménagement Commercial*) and the development permit opening the way for the carrying out of the second phase of Marques Avenue A6, the 13,200 sqm outlet centre located in Corbeil-Essonnes to the south of Paris, interior refitting to create 1,000 sqm in additional store space began in June and was completed in November 2010.

Having completed the site's repositioning, M.R.M. sold Marques Avenue A6 on 17 December 2010.

Logistics platform in Mer

In the first half of 2010, the Company agreed an amendment to the lease involving a 900 sqm extension, intended for after-sales service use and adjoining the logistics platform operated by Axéréal located in Mer in the Centre region.

Carrefour shopping centre in Ecole-Valentin

On 21 December 2010, M.R.M. did a deal with Mercialys to buy a 1,100 sqm co-ownership unit in the shopping arcade of the Carrefour Ecole-Valentin shopping centre in Besançon. This unit, leased to the Casino Cafétéria chain, was purchased for €2.4 million excluding transfer taxes. Following this deal, M.R.M. now owns the whole shopping arcade comprising 31 fully leased stores, representing an area of 4,000 sqm and attached to the Carrefour hypermarket. Plans to expand the shopping centre are currently under consideration.

Cytéo in Rueil-Malmaison

In Rueil-Malmaison, the freeing up of the caretaker's apartment at Cytéo, a 4,000 sqm office building, made it possible to create a relaxing cafeteria opening out onto a terrace located in the garden behind the building. This area means that tenants now have a pleasant option for lunching or taking a break. It will also represent a helpful argument when potential tenants visit, with 40% of the building currently vacant.

Solis in Ulis

A 6-year fixed term lease for the whole of Solis, a 10,700 sqm mixed office/warehouse building in Ulis, was signed in December 2010. This lease requires the carrying out of reconfiguration work on the building to meet the tenant's needs, increasing the office space by 2,300 sqm, by redeveloping the areas currently set aside for warehouse use and building an additional 1,200 sqm. The tenant is scheduled to move in during the fourth quarter of 2011.

Rental activity

The retail property portfolio saw 15 leases being signed or renewed, representing €0.9 million in annual rent. In the case of the office portfolio, 18 leases were signed or renewed, representing €2.1 million in annual rent.

As of 31 December 2010, the occupancy rates of the retail and office properties were almost unchanged from 31 December 2009, at 94% and 95% respectively.

Arbitrage policy

The asset sales carried out over the period were part of the arbitrage programme announced in early 2009 and implemented by M.R.M. in order to reduce its debt and help finance the planned capital expenditure on assets being enhanced.

In 2010, this programme resulted in:

- on 8 February 2010, the disposal of four restaurant premises operated by the international Pizza Hut chain and located in the Paris region in Lognes (77), Maurepas (78), Plaisir (77) and La Queue en Brie (94) for a total of €6.5 million excluding transfer taxes;

- the disposal of a 1,200 sqm retail property in Brétigny-sur-Orge (91) on 13 April 2010 for a total of €2.4 million excluding transfer taxes;
- the disposal of two fully-leased office buildings located in the Paris region. The 6,300 sqm building located in Clichy-La-Garenne (92) and the 4,500 sqm building located in Levallois-Perret (92) were disposed of on 25 June 2010, at a valuation of €39.5 million, by means of the disposal of the company holding these properties, a wholly-owned M.R.M. subsidiary;
- the disposal of the 10,600 sqm Crysalis office building located in Nanterre (92) on 29 July 2010 for a total of €49.2 million excluding transfer taxes;
- the disposal of a retail property in Angoulême (16) on 11 October 2010 for a total of €3.4 million excluding transfer taxes;
- the disposal of the Marques Avenue A6 outlet centre and the restaurant premises operated by the international Pizza Hut chain located in Corbeil-Essonnes (91) covering a 13,200 sqm area, on 17 December 2010, for a total of €50 million excluding transfer taxes including €2.5 million in contingent consideration.

In total, M.R.M. thus disposed of €151 million in properties in 2010, thereby bringing the total amount of disposals since early 2009 to €173.7 million as of 31 December 2010.

Financing

In 2010, the Group continued its efforts to renegotiate its short-term debt.

On 19 April 2010, M.R.M. completed the refinancing of a retail property portfolio, the initial financing for which expired in April 2010. The new loan, for a total of €91.2 million, is comprised of an €85.8 million tranche expiring in April 2015 supplemented by a second €5.4 million tranche expiring in April 2011. It was arranged with SaarLB, which already financed other Group office and retail properties, and which thereby strengthened its partnership with M.R.M.

The bank commitment that was repaid comprised of a credit line arranged in May 2007 with the Royal Bank of Scotland and Allied Irish Bank for an initial amount of €149.0 million expiring in April 2010. The outstanding amount of this loan had already been progressively reduced to €93.7 million, in particular by means of the refinancing and repayments associated with the M.R.M. arbitrage plan being implemented since early 2009.

This refinancing went hand in hand with the purchase of a new interest rate hedging instrument.

On 25 June 2010, following the disposal of the shares in one of its subsidiaries that owned two office buildings, one in Clichy-La-Garenne and the other in Levallois-Perret (see Arbitrage policy above), M.R.M. closed out its €28.4 million credit line which expired in August 2010.

In light of the upcoming expiry in July 2011 of an ING Real Estate credit line, the Group entered into negotiations with its banking partner in order to adapt the terms of the initial credit agreement. An amendment to the agreement was thus signed on 2 July 2010. The latter notably targets the progressive reduction in the Loan-to-Value ratio to 60% on this loan, thereby opening the way for an extension or possible refinancing at expiry. These negotiations went hand in hand with the purchase of a new interest rate hedging instrument.

Other highlights

Implementation of a share buyback programme

On 10 June 2010, the Board of directors resolved to implement, from 11 June 2010 and together with CM-CIC Securities, the buyback programme approved for a period of 18 months in the fifth resolution of the General Meeting of 10 June 2010.

The goals of the buyback programme are as follows:

- market making or ensuring stock liquidity by an investment services provider under a liquidity agreement that complies with the AMF-recognised AMAFI (French Financial Markets Authority) ethics charter;
- buying shares in order to hold them and subsequently use them in consideration or in exchange as part of acquisitions as an AMF-approved practice;
- allocating shares to employees and/or corporate officers (in compliance with legal and regulatory provisions), in particular as part of a stock option scheme, bonus share awards or a company savings plan;
- allocate shares to holders of securities giving access to the Company's capital by exercising the rights attached to said securities, pursuant to the regulations in force.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The number of shares bought back by the Company with a view to retaining them for subsequent use in consideration or in exchange as part of a merger, spin-off or asset transfer may not exceed 5% of its share capital. These share purchases may be made by any means, including by purchase of blocks of securities, whenever the Board of directors sees fit, including during public offer periods, insofar as permitted under stock market regulations.

On 19 November 2010, M.R.M. added an additional €50,000 to the liquidity agreement entered into with CM-CIC Securities.

As of 31 December 2010, the Company had 23,560 treasury shares. In 2010, 6,480 shares were purchased under the liquidity agreement at an average price of €7.76, with 2,403 shares being sold at an average price of €7.78.

1.4 Events after the reporting period

Financing

On 17 February 2011, the Group and its banking partner signed an amendment to the 28 September 2007 loan agreement. This agreement was designed to restructure the credit line expiring on 27 September 2011 and which stood at €83.6 million as of 31 December 2010. This credit line is backed to a portfolio of five office buildings.

Following this agreement, two credit lines were arranged. The first, a €49.5 million line, will expire at end-2013. With regard to the second, for €10 million, €4 million was repaid upon signature, with the remaining €6 million staggered over three years. This agreement, which provides for a plan to dispose of five properties by end-2013, includes a profit share for the bank in the proceeds of the sales.

As some of these properties require certain value-enhancing work, the agreement provides for the provision of an additional credit line. This will help finance the planned work, in particular the second phase of the redevelopment of the Nova building in La Garenne-Colombes.

Section 2 Accounting principles and methods

The main accounting methods applied in preparing the consolidated financial statements are stated below. Unless stated otherwise, these methods have been applied consistently across all periods presented.

2.1 Going concern principle

The financial statements as of 31 December 2010 were prepared on the basis of the going concern principle. This principle is satisfied by virtue of the actions undertaken by the Company in response to the loans due in July and September 2011. These actions are detailed in the following notes:

- Note 1.4 – Events after the reporting period, which details the signing of an amendment on 17 February 2011 regarding the €83.6 million credit line expiring on 27 September 2011;
- Note 10 to the consolidated financial statements – Loans and borrowings, which details the €26.4 million loan agreement expiring on 31 July 2011 as well as the options being considered in response to this expiry.

2.2 Presentation of the consolidated financial statements in accordance with the IFRS accounting basis

Pursuant to European Regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the M.R.M. Group as of 31 December 2010 were prepared in accordance with the standards and interpretations applicable as of 31 December 2010 published by the International Accounting Standards Board (IASB) and adopted by the European Union as of the date of issue of the financial statements by the Board of directors.

This accounting basis, which can be found on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), encompasses the international accounting standards (IAS and IFRS), interpretations by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements have been prepared on the basis of the historical cost principle, except for investment properties, financial instruments and assets held for sale which are measured at fair value, as per IAS 40, IAS 32 & 39 and IFRS 5.

Preparing the financial statements in accordance with IFRS requires certain critical accounting estimates to be made. The Group is also required to exercise its judgement when applying accounting methods. The most critical areas in terms of judgement or complexity, or those for which the assumptions and estimates are material with respect to the consolidated financial statements, are set out in Note 2 on the fair value of investment properties.

Changes in accounting principles since 1 January 2010

The accounting principles and methods applied for the consolidated financial statements as of 31 December 2010 are unchanged, subject to the impact of the new texts or amendments mandatory for the Group from 1 January 2010.

The new standards and amendments to existing standards and interpretations mandatory from 1 January 2010 are as follows:

- revised IFRS 3 - Business Combinations;
- revised IAS 27 - Consolidated and Separate Financial Statements;
- amendment to IAS 39 - Eligible Hedged Items;
- revised IFRS 1 – First-Time Adoption of IFRS;
- annual improvements to IFRS (published on 16 April 2009);
- amendment to IFRS 2 – Group and Treasury Share Transactions;
- IFRIC 12 – Service Concession Arrangements;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 - Distributions of Non-cash Assets to Owners (dividends in kind);
- IFRIC 18 - Transfers of Assets from Customers.

These new standards did not have a material impact on the Group's financial statements as of 31 December 2010.

Furthermore, M.R.M. elected not to apply early the new standards and interpretations not yet applicable, whether or not adopted by the European Union:

- new standards and interpretations not yet applicable and not yet adopted by the European Union as of 31 December 2010:
  - annual improvements to IFRS (May 2010),
  - amendments to IFRS 7 – Disclosures About Transfers of Financial Assets;
- new standards and interpretations not yet applicable although already adopted by the European Union as of 31 December 2010:
  - amendments to IAS 32 – Classification of Rights Issues,
  - amendment to IFRS 1 - Limited Exemption from Comparative IFRS 7 Disclosure,
  - amendment to IFRS 8 as a result of Revised IAS 24,
  - revised IAS 24 – Related Party Disclosures,
  - amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement,
  - IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments,
  - IFRS 9 – Financial Instruments: classification and measurement.

In addition, M.R.M. elected not to apply early the amendment to IAS 32 – Classification of Rights Issues.

The Group is in the process of examining the impact of these new standards but does not expect them to materially impact the Group's financial position.

2.2.1 Consolidated statement of financial position

The statement of financial position is presented by separating current and non-current assets and liabilities:

- non-current assets consist of investment property, property, plant and equipment and intangible assets;
- current assets represent all operating and tax-related receivables and any other assets with an initial maturity of under one year or undated;
- liabilities are classified as current or non-current depending on their due date.

As a result, bank borrowings, guarantee deposits received and tax-related liabilities have been split into liabilities of under one year and liabilities of over one year, in accordance with the repayment schedules. Operating payables with a maturity of under one year constitute current liabilities.

2.2.2 Consolidated statement of comprehensive income

The income and expense items recognised during the period are presented in two statements.

- one statement detailing profit or loss items: the consolidated income statement;
- one statement starting with profit (loss) for the period and itemizing the other items of comprehensive income: consolidated comprehensive income.

As per the AMF's recommendation regarding the preparation of the 2010 financial statements, for this year and for 2009 the Company calculated current operating income in line with CNC recommendation 2009 R-03.

The consolidated income statement thus splits out the following items:

- current operating income, as per the definition of CNC recommendation 2009 R-03, includes recurring items of current income but does not include changes in the fair value of investment properties, gains (losses) on disposal or the scrapping of investment properties (total or partial) or other operating income and expenses;
- operating income includes current operating income, changes in the fair value of investment properties, gains (losses) on the disposal or scrapping of investment properties (total or partial) and other operating income and expenses;
- financial profit (loss) is the sum of financial income and expenses, changes in the value of financial instruments (caps, marketable securities, etc.) and the discounting of payables and receivables;
- net profit (loss) before tax is the sum of operating income, financial profit (loss) and other non-operating income and expenses.

Other items of comprehensive income include income and expenses (including adjustments and reclassifications) that are not recognised in profit or loss as required or permitted by certain IFRS.

2.3 Key accounting estimates and judgements

When preparing the financial statements, the Company uses estimates and makes judgements, which are regularly updated and are based on historical information and other factors, in particular forecasts regarding future events deemed reasonable in light of the circumstances.

The estimates carrying a substantial risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period primarily involve the calculation of the fair value of the property portfolio, which is notably based on the valuation of the portfolio by independent appraisers using the methods described in Note 2.5.3.2.

Financial market instability has resulted in a significant drop in the number of representative transactions. Transactions completed in an economic crisis may not reflect the estimates of the independent appraisers.

Given the estimative nature of such valuations, it is possible that the income from the sale of certain properties may substantially differ from the valuation made, even were a sale to take place within a few months of the reporting date.

As such, the valuations of the Company's portfolio, carried out by independent appraisers, could vary significantly depending on the sensitivity of the following data:

- the Market Rental Value of the Company's portfolio;
- the yield, this being calculated on the basis of yields used in the property market.

Since these data are tied to the market, they may vary significantly in the current context. They may thus have a material upward or downward impact on the fair value measurement of the property portfolio.

2.4 Consolidation methods

2.4.1 Subsidiaries

Subsidiaries are companies controlled by the Group. A subsidiary is controlled where the Group has the power to directly or indirectly manage the financial and operating policies of the company so as to obtain benefits from its activities. In general, subsidiaries are deemed to be controlled where M.R.M. directly or indirectly holds more than 50% of the voting rights.

The financial statements of subsidiaries are fully consolidated from the date control is obtained and are no longer consolidated when control is transferred outside the Group. The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity distinguishes between Group share and minority shares.

As of 31 December 2010, all companies within the scope of consolidated are wholly controlled by the Group and are accordingly fully consolidated.

2.4.2 Entities under joint control

Entities under joint control are companies in which the Group exercises joint control, generally under a contractual agreement. The financial statements of entities under joint control are proportionally consolidated, with each joint owner recognising in its consolidated financial statements its share of the assets, liabilities, income and expenses of the entity under joint control.

The financial statements of entities under joint control are consolidated from the date control is obtained until it is lost.

As of 31 December 2010, the Group did not have any jointly controlled companies.

2.4.3 Affiliates

Affiliates are companies in which the Group exercises significant influence in terms of operating and financial policy without having control of the Company. In general, significant influence is obtained when the Group owns at least 20% of the voting rights. The Group's investments in affiliates are accounted for under the equity method, which consists of recognising in the consolidated financial statements:

- in the statement of financial position, the value of shares stated at the acquisition cost of shares including goodwill plus or minus the change in the Group's share of the net assets of the affiliate, net of any necessary consolidation adjustments;
- in the statement of comprehensive income, a separate line showing the Group's share of profit of affiliates net of consolidation adjustments. The financial statements of affiliates are recognised in the consolidated financial statements from the date significant influence begins until it is lost.

As of 31 December 2010, the Group did not have any affiliates.

2.4.4 Transactions eliminated from the consolidated financial statements (intra-group transactions)

Items in the statement of financial position, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated when preparing the consolidated financial statements. Gains resulting from transactions with affiliates are eliminated *via* investments in affiliates in proportion to the Group's interest in the company in question. Unrealised losses are eliminated in the same way as unrealised gains but only insofar as they reflect an impairment loss.

2.5 Business combinations and asset purchases

2.5.1 Business combinations

Following the revision of IFRS 3, acquisition cost is measured at the fair value of the assets transferred, equity issued and liabilities incurred at the date of the transaction. The identifiable assets and liabilities of the acquiree are measured at fair value on the date of acquisition. Costs directly attributable to the acquisition are recognised under "Other operating expenses".

Positive differences between the cost of acquisition of stock and the share in the fair value of the identifiable assets and liabilities on the date control is obtained are recognised on the asset side as goodwill.

Negative differences are representative of badwill and are recognised directly in profit or loss for the period under "Other non-operating income and expenses".

Goodwill is not amortised. In accordance with IAS 36, "Impairment of assets", goodwill is tested for impairment at least annually and more frequently if there are indications of impairment. These tests are designed to ensure that the recoverable amount of the cash-generating unit to which goodwill is allocated is at least equal to its net carrying amount. If impairment is observed, an impairment charge is recorded as operating income under "Other operating income and expenses".

2.5.2 Asset purchases

Where the Group acquires an entity comprised of a group of assets and liabilities but that does not constitute a business as per IFRS 3, these acquisitions are not considered to be business combinations within the meaning of that standard and are recognised as an acquisition of assets and liabilities, without any goodwill being recognised.

Any difference between the cost of acquisition and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the Group's identifiable individual assets and liabilities at the date of acquisition.

In accordance with IAS 12 paragraph 15 (b) on entities subject to income tax, no deferred tax is recognised on the acquisition of assets and liabilities.

2.6 Measurement rules and methods

2.6.1 Intangible assets

In accordance with IAS 38, intangible assets are measured at historical cost less cumulative depreciation and impairment. They are not subject to any revaluation.

Intangible assets that have indefinite useful lives are not amortised. They are tested for impairment annually or more frequently if there are indications of impairment. If the value in use is lower than the net carrying amount, an impairment charge is recognised.

Intangible assets with definite useful lives are amortised on a straight-line basis over their estimated useful lives.

The Group's only intangible assets are a licence to sell alcohol and a trademark.

2.6.2 Property, plant and equipment

2.6.2.1 Cost of acquisition of property, plant and equipment

Items with determinable costs and for which it is likely that the future economic benefits will flow to the Group are recognised as non-current assets. Property, plant and equipment are recognised at cost less cumulative depreciation and impairment. Where components of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment.

2.6.2.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful lives.

Depreciation is expensed on a straight-line basis over the estimated useful life for each component of property, plant and equipment.

2.6.2.3 Impairment of property, plant and equipment

Where events or new circumstances result in indications of impairment, impairment tests are carried out. The asset's net carrying amount is compared with its recoverable amount. If the recoverable amount is lower than the net carrying amount of the assets, an impairment charge is recognised.

2.6.3 Investment properties

IAS 40 "Investment property" defines investment property as property held by the owner or by the lessee under a lease to earn rentals or for capital appreciation.

Investment property is presented on a separate line item of the statement of financial position under non-current assets.

2.6.3.1 Valuation method for investment property

In accordance with the measurement models proposed by IAS 40 and in line with the recommendations of EPRA (European Public Real Estate Association), the Group has opted to use the fair value method on a permanent basis and measures investment property at fair value. Investment property being redeveloped is subject to the classification and (fair value) measurement rules set out in IAS 40.

Investment property is valued at fair value and any resulting changes are recognised in the income statement. No depreciation is recognised. This method is applied as follows:

At the date of acquisition, investment property is recognised at cost of acquisition, corresponding to the purchase price plus any associated costs. At the end of the reporting period, it is measured at fair value. The difference between the initial cost and fair value is recognised in the income statement.

Changes in the fair value of investment property are determined as follows:

Market value N - [market value N-1 + amount of works and capitalised expenses for the year – scrapped assets from properties being redeveloped]

Scrapped assets from properties being redeveloped are presented on a separate line of the statement of comprehensive income.

The market value of these assets excludes any transfer taxes relating to their sale. Gains on the disposal of investment property are calculated on the basis of the most recent fair value recognised in the statement of financial position.

2.6.3.2 Definition of fair value

The fair value of all the Group's investment properties is the value excluding transfer taxes determined by independent appraisers who value the Group's portfolio each year on 30 June and 31 December.

The Group has retained the following independent appraisers to value its portfolio:

- Catella Valuation;
- FPD Savills.

Appraisal values are carried out in accordance with the rules set out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS). The Company's entire portfolio has been subject to market and competition studies.

The valuation of the property portfolio depends on a number of factors, relating primarily to assumptions regarding future cash flows and interest rates, the balance between supply and demand on the market, economic conditions and applicable regulations. These factors can vary significantly impacting the valuation of properties. The valuation of these properties may thus not reflect their realisable value in the event they are sold.

The methodology used by the appraiser is based on a combination of various valuation techniques, namely the capitalisation method and the discounted future cash flow method. Values determined with reference to these two methods are corroborated by means of the comparable method and/or the replacement cost method. Appraisers' methods comply with professional standards (in particular RICS).

The method of capitalisation of rental income is based on the principle of applying a yield for comparable properties on the market to net rental revenues, taking account of the effective rent level relative to the market price.

The discounted cash flow method is based on assessing future revenues on the basis of parameters such as vacancy rates, projected rent rises, recurring maintenance costs and ordinary expenses required to keep the property in operating condition.

Investment properties undergoing redevelopment are valued on the basis of a valuation of the building after redevelopment, insofar as the Company has reasonable assurance that the project will be completed due to the absence of major uncertainties, particularly with regard to administrative authorisations (building permits, CDEC etc.). Works still to be carried out are then deducted from this valuation on the basis of the development budget or contracts negotiated with builders or service providers.

The key assumptions used in estimating fair value are those having to do with the following items: expected future rents as per the firm lease undertaking, market rents, periods of vacancy, property occupancy rates, maintenance requirements, appropriate discount rates and yields. These valuations are regularly compared to market data on yields, the Company's actual transactions, and those published by the market. Expert appraisals thus reflect the best estimate as of 31 December 2010, basing their assumptions on recent market data and generally accepted appraisal methodologies within the industry. These valuations cannot anticipate every possible change in the market.

2.6.4 Financial assets

The Group classifies its financial assets on the basis of the following categories:

- at fair value through the statement of comprehensive income;
- as loans and receivables.

Classification depends on the reasons for acquiring financial assets.

2.6.4.1 Financial assets at fair value through the statement of comprehensive income

In this category, the Group classifies the derivatives to which it subscribes. Derivatives are initially recognised at fair value; attributable transaction costs are recognised in income when incurred.

They are re-measured at fair value at each reporting date. Any changes in fair value are recognised in income under "Financial profit (loss)".

For the Group, this relates to instruments put in place for hedging purposes (purely caps) - see Section 2.5.10. Derivatives. The fair value of these instruments at the reporting date was based on valuations supplied by the issuing financial institutions employing valuation techniques using observable market data.

2.6.4.2 Loans, deposits, sureties and other non-current receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, apart from those maturing over 12 months from the reporting date.

These are classified as non-current assets (these assets are initially recognised at fair value and subsequently measured at amortised cost).

2.6.5 Trade receivables

Receivables are stated at fair value on initial recognition, and subsequently at amortised cost less any impairment losses.

Impairment of trade receivables is recognised when there are objective indications that the Group will not be able to recover the full amounts due as per the initial terms of the transaction. Serious financial difficulties faced by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor and payment default are indicators of the impairment of a receivable.

As a general rule, the Group writes down tenant receivables older than six months, applying an impairment rate of up to 100% (depending on the risk estimated by the Group) of the pre-tax amount of the receivable, minus the guarantee deposit.

The amount of impairment is recognised in the statement of comprehensive income under "Impairment".

2.6.6 Cash and cash equivalents

"Cash and cash equivalents" includes cash, sight bank accounts, other very liquid short-term investments with initial maturities of up to three months.

Marketable securities are classified as cash equivalents if they meet the criteria of maturity, liquidity and lack of volatility.

They are measured at fair value through the statement of comprehensive income.

2.6.7 Assets and liabilities held for sale

Under IFRS 5, assets and liabilities that the Company has decided to sell and the carrying amount of which will be recovered principally through a sale transaction rather than through continuing use are to be classified as "assets held for sale" and "liabilities held for sale".

For the sale to be highly likely, an asset sale plan must have been undertaken, and an active programme for finding a buyer must have been launched.

The properties in this category continue to be measured using the fair-value model, as follows:

- property under sale agreement: sale value in the sale agreement for purchase net of the costs and commission required to complete the sale;
- properties for sale: appraisal value excluding transfer taxes net of costs and commission required to complete the sale.

As of 31 December 2010, six retail properties and four office properties were recognised on the held for sale asset line for €71.794 million.

2.6.8 Borrowings

Financial liabilities comprise borrowings and other interest-bearing liabilities.

On initial recognition, they are measured at fair value, taking account of transaction costs directly attributable to the issuance of the financial liability. They are subsequently recognised at amortised cost using the effective interest rate method. The effective interest rate includes the nominal interest rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Borrowings of less than one year are classified as "current borrowings".

2.6.9 Borrowing costs

Revised IAS 23 "Borrowing costs" removes the option of expensing borrowing costs and requires companies to capitalise borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as a component of the cost of the asset.

The Group borrows money specifically for the acquisition, construction or production of a specific qualifying asset. Financial expenses directly associated with this asset are accordingly easily determined and capitalised in the cost of the qualifying asset.

The application of Revised IAS 23 thus meant that in 2010 the Group capitalised interest of €803 thousand, namely 100% of the interest associated with said properties, in the costs of qualifying properties.

2.6.10 Derivatives

The Group uses derivatives to hedge its exposure to market risks stemming from interest rate fluctuations.

Derivatives are used as part of the Group's policy for managing interest rate risk.

The Group uses derivatives to hedge its variable-rate debt against interest rate risk (cash flow hedging).

Given the nature of its debt, the M.R.M. group has elected not to apply hedge accounting as per IAS 39 and classifies financial assets and liabilities held as such as "Financial assets and liabilities at fair value through profit or loss".

All derivatives are therefore recognised in the statement of financial position at fair value, and any changes from one period to the next are recognised in the statement of comprehensive income under "Financial profit (loss)".

The valuation of such financial instruments is supplied quarterly by the issuing financial institutions employing valuation techniques using observable market data.

2.6.11 Treasury shares

M.R.M. shares held by the Group are deducted from consolidated equity at their cost of acquisition. All transactions involving treasury shares are recognised directly in consolidated equity.

2.6.12 Provisions

A provision is booked when the Group has an obligation to a third party arising from a past event, settlement of which is expected to result in an outflow of resources to this third party. This obligation may be legal, regulatory or contractual.

It may also result from the entity's past practices, its stated policy or sufficiently overt public commitments that have created a legitimate expectation amongst the relevant third parties that it will assume certain responsibilities.

The estimated amount of a provision reflects the outflow of resources the Group would incur to settle its obligation. It is estimated on the basis of information known at the date of issue of the financial statements.

Where the time value effect is material, the amount of the provision is determined by discounting estimated resource outflows at a rate based on a pre-tax risk-free market interest rate, plus - where applicable - risks specific to the relevant liability.

2.6.13 Employee benefits

IAS 19 requires that any current or future benefits or remuneration granted by the Company to its employees or a third party be recognised over the vesting period.

The Group, which has only one employee, felt that the amount of defined benefit pension obligations was not material and accordingly did not measure this obligation as of 31 December 2010.

2.6.14 Receivables and payables with deferred payments

IAS 32 requires the discounting of any sums the payment or receipt of which is deferred in a manner that deviates from standard practice.

The amounts of these receivables or payables are discounted and a financial profit or loss recognised in the statement of comprehensive income over the deferred payment period.

The only deferred payments identified concern:

- guarantee deposits from tenants;
- exit tax.

The discount rate applied represents the one used for the discounting of cash flow and the capitalisation of rent for the purposes of property valuation by the independent appraiser.

As of 31 December 2010, it was 6.94% for office property and 7.60% for retail property.

2.6.15 Current taxes and deferred taxes

2.6.15.1 The Group's tax status

In early 2008, M.R.M. opted for SIIC status as a listed property investment company, the scope of which covered all Group companies, except for Dynamique Financière due to its inter-company financing activity.

SIIC status allows for tax exemption on:

- profits from the letting of buildings and the sub-letting of buildings that are lease financed;
- capital gains on the disposal of buildings, rights relating to property lease finance agreements, investments in partnerships or investments in subsidiaries that have opted for SIIC status; and
- dividends received from subsidiaries subject to SIIC status.

In exchange for this exemption, companies with SIIC status are required to pay out:

- 85% of tax-exempt profits from rental activities;
- 50% of capital gains on the disposal of buildings or of certain investments in property companies;
- all dividends received from subsidiaries having opted for SIIC status.

Companies having opted for SIIC status pay a reduced rate of exit tax of 16.5% on unrealised capital gains on buildings and investments in partnerships exempt from income tax. This tax is payable in quarters over 4 years, on 15 December from the year in which this option is taken.

Exit tax liability is discounted on the basis of the initial payment schedule determined from the first day the relevant entities adopt SIIC status.

The discount rate used represents the average discount rate used by appraisers for the purposes of the discounted future cash flow method.

The nominal value of the exit tax is reduced by the discounting gain upon initial recognition. A discounting financial expense is recognised at each reporting date in order to bring the exit tax liability to its discounted value at the date of issue of the financial statements.

2.6.15.2 Deferred tax

Deferred taxes are recognised for activities and companies subject to tax using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are determined using tax rates (and tax regulations) that have been enacted by the end of the reporting period and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability settled. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be allocated.

Deferred taxes are recognised on temporary differences arising on investments in subsidiaries and affiliates, except where the timing of the reversal of these temporary differences is controlled by the Group and it is likely that this reversal will not take place in the foreseeable future.

Having opted for SIIC status, no income tax is due in respect of the letting of buildings, directly or indirectly *via* income received from subsidiaries, and no deferred tax was recognised as of 31 December 2010. Likewise, capital gains on the disposal of buildings or investments in subsidiaries enjoying the same status are exempt.

The Group is still liable for income tax on transactions falling outside the scope of the SIIC regime.

2.6.16 Revenue recognition

In accordance with IAS 18, "Revenue", income from ordinary activities corresponds to the gross inflow of economic benefits to the company during the period, resulting in increases in equity, other than increases relating to contributions from partners or shareholders.

For the Group, income from ordinary activities corresponds primarily to revenues from the rental of investment property.

Leases currently signed by the Group meet the definition of operating leasing as set out in IAS 17.

Under IAS 18, the financial impact of all lease terms is staggered over the term of the lease. The same applies to rent-free periods, stepped rents and key money. For pre-2010 leases, the staggering was over the full term of the lease whereas the staggering period for leases coming into effect from 1 January 2010 is the fixed portion.

Income from ordinary activities is stated at the fair value of the consideration received.

Income from the rental of investment property is recognised on an accrual basis.

2.6.17 Finance leases

A finance lease transfers substantially all of the benefits and risks inherent in the ownership of an asset to the lessee. Eventually, ownership may or may not be transferred.

Property lease agreements are considered to be finance leases.

Lease finance agreements are recognised as assets and liabilities in the statement of financial position for amounts equal to the financial value of the leased asset.

Lease payments are broken down into the financial expense and the repayment of the outstanding debt.

Lease finance agreements do not give rise to amortisation if the asset is deemed to be an investment property (Fair Value Measurement).

The Group has not had any finance leases since 31 December 2008.

2.6.18 Other operating income and expenses

Other operating income and expenses represents unusual, abnormal or infrequent events covered in paragraph 28 of the IASB Framework.

They generally consist of fees paid out or collected from tenants and insurance.

2.6.19 Earnings or operating data per share

Earnings per share are calculated by dividing consolidated data by the number of shares outstanding excluding treasury shares on the reporting date, namely 3,478,417 shares as of 31 December 2010.

2.6.20 Segment information

IFRS 8: Operating Segments, applicable since 1 January 2009, details the manner in which information is to be presented for each operating segment.

The operating segments determined on the basis of internal reporting are defined as:

- representing an income-generating activity for which expenses are incurred;
- whose operating results are regularly examined by the entity's primary operating decision-maker in order to allocate resources to segments and assess their performance;
- for which discrete financial information is available.

On the basis of these criteria, for operating segment purposes the Group has used the breakdown of the investment property portfolio by the real-estate market in which the properties are located. Namely the office and retail letting segments.

These operating segments are the ones that provide the best basis for evaluating the nature and financial effects of the business activities in which the company engages and the economic environments in which it operates.

2.6.21 Key money

Any key money received by the lessor is deemed to represent additional rent.

The key money is part of the net amount exchanged by lessor and lessee under a lease.

As such, the accounting periods in which this net amount is recognised must not be affected by the form of the agreement or the payment schedule. These fees are to be spread over the first firm lease period.

2.6.22 Termination fees

Termination fees may be collected from lessees where they terminate the lease before its contractual expiry date.

Where applicable, these fees are related to the former agreement and are recognised in income when they arise.

2.6.23 Eviction fees

If the lessor terminates a current lease, it may be liable to pay eviction fees to the tenant in place.

Replacement of a tenant

If payment of an eviction fee means it is possible to change or maintain the asset's performance (increase in rent and hence in the asset's value), this expense, in accordance with revised IAS 16, may be capitalised in the cost of the asset so long as the increase in value is confirmed by appraisal. Otherwise, the expense is posted in charges.

Renovation of a property requiring the departure of tenants in place

If payment of an eviction fee is part of the major refurbishment or reconstruction of a property for which the tenants must vacate prior to commencement, this cost is considered a preliminary expense included as an additional component further to the refurbishment.

2.6.24 Management of share capital

M.R.M.'s policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support the future development of its business. The Board of directors monitors return on equity, defined as the ratio of operating income to total equity.

The Company has signed a liquidity agreement, under the terms of which it occasionally buys back its own shares on the market. The rate of these share buybacks depends on the share price and market movements.

2.6.25 Financial risk management

Foreign exchange risk

As of the date of this document, M.R.M. is not engaged in any business that could expose it to any foreign exchange risk.

Interest rate risk

The M.R.M. group systematically hedges its contracted variable-rate debt by arranging caps.

Accordingly, with respect to the debt as of 31 December 2010, 100% of the loans to finance office property were capped (Euribor 3-month instruments at rates between 3% and 5.50%).

Loans to finance retail properties are also fully capped (Euribor 3-month instruments at rates between 3.75% and 5.25% until the loans are fully repaid).

A 100 basis point increase in interest rates would, on an annual basis, have an impact of €2.729 million on the Group's financial performance. With current interest rates being very low, the caps put in place by the Group are not in the money.

Liquidity risk

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its requirements to cover operating expenses, interest and repayment of all existing borrowings and the loans it would look to take out in order to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio, defined as the ratio of the amount of the loan to the market value of the property financed), and the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents). Covenants relating to LTV ratios set maximum thresholds between 70% and 88.66%. Covenants relating to ICR ratios set minimum thresholds of between 100% and 130%.

As of 31 December 2010, the Group complied with the LTV and ICR covenants agreed with its banking partners.

Credit risk

Credit risk represents the risk of a financial loss for the Group in the event that a client or financial instrument counterparty fails to meet its contractual obligations.

For the Group, this risk relates to its trade receivables. The Group's counterparties for the financial assets it owns are top-rated financial institutions. Its financial assets consist solely of derivatives (caps).

The Company has defined a credit policy that allows it to limit its exposure. Procedures are in place to ensure leases are entered into with clients whose solvency is assessed and which meets the Group's risk criteria. Certain tenants account for a significant proportion of the Company's annual invoiced rents. The termination of one or more leases could have an impact on the level of rents received by the Company, and hence on its profitability. However, the main leases are recent and certain tenants are bound by leases with fixed terms ranging from 3 to 12 years.

Property asset valuation risk

The Company's property portfolio is valued on a six-monthly basis. Such valuation depends on a number of factors, mainly involving the balance between market supply and demand, economic conditions and applicable regulations, which can vary significantly, with a direct impact on the valuation of the Company's assets and accordingly an indirect effect on the Loan to Value ratios used as indicators of the Group's debt risk.

The appraised value of the Group's properties may differ from their value on disposal. In addition, such valuations are based on a certain number of assumptions that may prove to be incorrect. Because M.R.M.'s property portfolio is recognised at market value on the basis of valuations by independent appraisers, its value can be affected by changes in the bases used in the valuation methods (property market trends, mainly in terms of rents received, changing interest rates especially with regard to discount and capitalisation rates employed).

Section 3 Scope of consolidation

3.1 List of consolidated companies

The financial statements fully consolidate the financial statements of all companies in which M.R.M. exercises exclusive direct or indirect control.

The scope of consolidation as of 31 December 2010 was as follows:

	Consolidation method	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS BOULEVARD DES ILES	FC	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB ALBATROS	FC	100%	100%
SAS DB COUGAR	FC	100%	100%
SAS DB DYNAMIQUE FINANCIERE	FC	100%	100%
SAS DB FOUGA	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SAS DB TUCANO	FC	100%	100%
SAS IMMOMARQUE	FC	100%	100%
SAS INVESTORS RETAIL HOLDING	FC	100%	100%
SCI BOULOGNE ESCUDIER	FC	100%	100%
SCI 10 BIS RUE ESCUDIER	FC	100%	100%
SCI 3 RUE ESCUDIER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI GEORGES CLEMENCEAU	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

On 25 June 2010, DB Caravelle was deconsolidated following the disposition of all shares in the company.

All of the Group's companies are registered in France.

The address used by all Group companies is 65/67 avenue des Champs-Élysées, 75008 Paris, France.

Section 4 Notes to the statement of financial position and the statement of comprehensive income

Note 1 Intangible assets

As of 31 December 2010, intangible assets corresponded to a licence to sell alcohol and a trademark owned by Commerces Rendement.

(in thousands of euros)	12/31/09	Increase	Decrease	12/31/10
Intangible assets	20	0	0	20
TOTAL	**20**	**0**	**0**	**20**

Note 2 Investment properties

(in thousands of euros)	
Opening net balance	287,250
Acquisitions and works	10,225
Reclassification as assets held for sale	(71,794)
Reclassification of assets held for sale as investment properties	49,919
Change in fair value	(7,690)
CLOSING NET BALANCE	**267,910**

Description and summary of investment property

Distribution of investment property

As of 31 December 2010, the portfolio broke down as follows:

- Retail property: €126.660 million;
- Office property: €141.250 million

Description of Portfolio

	Address	Date of acquisition	Area (sqm)	Division
Saint Quentin en Yvelines - Sud Canal	24/26 place Étienne Marcel et 41 Bd Vauban, 78180 Montigny le Bretonneux	27/10/2004	11,619	Retail
Reims	2 rue de l'étape, 51100 Reims	10/11/2004	2,470	Retail
Mulhouse - Passage de la Réunion	25 place de la Réunion, 68100 Mulhouse	15/04/2005	6,018	Retail
Tours - Galerie du Palais	17/19 place Jean Jaurès, 37000 Tours	16/06/2006 and 28/09/2007	6,965	Retail
Amiens - Les Halles	Place Maurice Vast, 80000 Amiens	31/08/2006	7,484	Retail
Gamm Vert Portfolio	Multi-site	21/12/2007 and 27/05/2008	24,641	Retail
École Valentin	6 rue Chatillon, 25000 Besançon	27/12/2007	4,016	Retail
Box Portfolio	Multi-site		5,394	Retail
SUBTOTAL RETAIL			68,607	
Vélizy Villacoublay - Carré Vélizy	16-18 avenue Morane Saulnier, 78140 Vélizy-Villacoublay	30/12/2005	11,133	Office
Brêche-aux-Loups	43 rue de la Brêche aux Loups, 75012 Paris	15/06/2006	2,872	Office
Les Ulis - Solis	12 avenue de l'Océanie, ZA Courtaboeuf, Les Ulis (91)	22/11/2006	10,728	Office
Cadet	5 rue Cadet, 75009 Paris	29/11/2006	2,318	Office
Niepce	13 rue Niepce, 75014 Paris	29/11/2006	1,667	Office
Rueil Malmaison - Cytéo	147 avenue Paul Doumer, 92500 Rueil Malmaison	28/12/2006	4,025	Office
La Garenne Colombes – Nova	71 boulevard National, 92250 La Garenne Colombes	28/09/2007	10,787	Office
Rungis - Le Delta	3-5 rue du Pont des halles, 94150 Rungis	28/09/2007	8,701	Office
Cap Cergy	4-6 rue des Chauffours, 95000 Cergy-Pontoise	28/09/2007	12,915	Office
Bourse	12 rue de la Bourse, 75002 Paris	24/04/2008	1,114	Office
SUBTOTAL OFFICES			66,260	
TOTAL			**134,867**	

Capitalisation and discount rates used by the independent appraisers for valuation purposes as of 31 December 2010

	Capitalisation rates	Discount rates
Office	Between 6.5% and 10.0%	Between 6.5% and 8.0%
Retail	Between 6.5% and 9.0%	N/A

The capitalisation rate reflects the seller side yield or the yield generated in the normal course of management. The capitalisation rate expresses, in percentage terms, the ratio of gross or net revenue from the property to its monetary value. It is called gross or net depending on whether the gross or net revenue of the property is chosen.

Note 3 Properties held for sale

(in thousands of euros)	
Opening net balance	204,560
Acquisitions and works	910
Reclassification of investment properties as assets held for sale	71,794
Reclassification of assets held for sale as investment properties	(49,919)
Change in scope of consolidation	(39,450)
Asset disposals	(114,567)
Change in fair value	(1,535)
CLOSING NET BALANCE	**71,794**

Thus, as of 31 December 2010, properties held for sale amounted to a total of €71.794 million compared to €204.56 million as of 31 December 2009. The reduction was notably due to disposals during the period:

- the premises of four restaurants operated by the Pizza Hut chain in the Paris region, disposed of on 8 February 2010;
- the retail building in Brétigny-sur-Orge, disposed of on 13 April 2010;
- the Levallois-Perret and Clichy-la-Garenne office buildings, sold on 25 June 2010 *via* the sale of equity investments;
- the Crysalis office building in Nanterre, disposed of on 29 July 2010;
- the Angoulême retail building, disposed of on 11 October 2010;
- the Marques Avenue A6 outlet centre and a restaurant premises operated by the "Pizza Hut" chain in Corbeil-Essonnes, disposed of on 17 December 2010.

Furthermore, the Cap Cergy complex, comprised of 2 adjoining office buildings in Cergy-Pontoise, the Coignières retail building, and the Ecole-Valentin shopping arcade in Besançon were reclassified as investment properties; the disposal of these assets no longer being expected to take place within the coming 12 months.

As of 31 December 2010, six retail properties and four office buildings were held for sale:

- the Urban office building in Montreuil;
- the Boulogne-Billancourt office building;
- an office building in Rueil-Malmaison;
- the Puteaux office building;
- five retail buildings in Chambray les Tours, Barjouville, Vineuil and Moulins-Lès-Metz;
- the Allonnes shopping centre.

All these properties are currently being actively marketed with a view to their disposal within the coming 12 months. At present, the five retail properties in Chambray les Tours, Barjouville, Vineuil and Moulins-Lès-Metz are subject to sale agreements.

Note 4 Trade receivables

Trade receivables break down as follows:

	12/31/10			12/31/09
(in thousands of euros)	Gross	Impairment	Net	Net
Trade receivables [(1)]	5,047	953	4,094	8,493
TOTAL	**5,047**	**953**	**4,094**	**8,493**

(1) Including €1.980 million in rent-free periods staggered over the lease term, compared to €5.627 million as of 31 December 2009. This reduction is primarily due to the exit of rent-free periods associated with assets that were disposed of.

Note 5 Other receivables

Other receivables break down as follows:

	12/31/10			12/31/09
(in thousands of euros)	Gross	Impairment	Net	Net
Company receivables	0	0	0	0
Tax receivables [(1)]	2,334	0	2,334	1,615
Current accounts in debit	20	20	0	0
Other receivables [(2)]	8,598	0	8,598	5,330
Funds deposited with third parties [(3)]	709	0	709	436
Marketing fees [(4)]	470	0	470	1,135
Prepaid expenses	344	0	344	379
TOTAL OTHER RECEIVABLES	**12,475**	**20**	**12,455**	**8,896**

(1) This amount essentially corresponds to VAT on goods and services and non-current assets.

(2) This amount primarily relates to service charges payable to owners.

(3) This primarily concerns funds deposited with notary publics.

(4) This relates to marketing fees staggered over the lease term.

Note 6 Derivatives

The M.R.M. Group has put in place financial instruments (caps) that do not qualify as hedging instruments for accounting purposes, but as financial assets recognised at fair value through profit or loss.

All borrowings are hedged by a cap. These financial instruments were originally recognised as assets at fair value, something that is supplied by the issuing institutions.

Differences in the value of financial instruments between reporting dates are recognised in the income statement under “Change in fair value of financial instruments and marketable securities”. The fair value measurement of caps as of 31 December 2010 was reflected in the recognition of a financial asset of €304 thousand.

The change in fair value of caps over the period breaks down as follows:

(in thousands of euros)	
Measurement of financial instruments as of 12/31/2009	673
Caps bought	276
Caps sold	0
Change in fair value	(646)
MEASUREMENT OF FINANCIAL INSTRUMENTS AS OF 12/31/2010	**304**

Principal characteristics of financial instruments held

Contract type	Notional in thousands of euros	Benchmark rate	Guaranteed rate	Fair value in thousands of euros	Under 1 year	1-5 years	Over 5 years
CAP	7,150	3-month EURIBOR	5.50%	0	0	-	-
CAP	30,000	3-month EURIBOR	5.20%	0	-	-	-
CAP	1,000	3-month EURIBOR	5.20%	0	-	-	-
CAP	80,000	3-month EURIBOR	5.25%	0	-	-	-
CAP	18,050	3-month EURIBOR	5.50%	0	0	-	-
CAP	34,493	3-month EURIBOR	5.50%	0	0	-	-
CAP	60,000	3-month EURIBOR	5.50%	0	0	-	-
CAP	4,600	3-month EURIBOR	5.50%	0	0	-	-
CAP	9,193	3-month EURIBOR	5.25%	2	-	2	-
CAP	534	3-month EURIBOR	5.25%	0	-	0	-
CAP	2,473	3-month EURIBOR	5.25%	1	-	1	-
CAP	6,750	3-month EURIBOR	5.25%	6	-	6	-
CAP	35,000	3-month EURIBOR	3.00%	192	-	192	-
CAP	1,600	3-month EURIBOR	3.75%	2	-	2	-
CAP	85,798	3-month EURIBOR	3.75%	101	-	101	-
CAP	31,064	3-month EURIBOR	3.00%	1	1	-	-
CAP	6,658	3-month EURIBOR	3.00%	0	0	-	-
CAP	16,734	3-month EURIBOR	3.00%	0	0	-	-
CAP	4,339	3-month EURIBOR	3.00%	0	0	-	-
			TOTAL	**304**	**1**	**303**	**-**

A 100 basis point increase in interest rates would, on an annual basis, have an impact of €2.729 million on the Group's financial performance. With current interest rates being low, the caps put in place by the Group are not in the money.

Note 7 Cash and cash equivalents

(in thousands of euros)	12/31/10	12/31/09
Marketable securities	1,226	4,395
Cash	10,950	5,111
TOTAL CASH AND CASH EQUIVALENTS	**12,175**	**9,506**

Note 8 Provisions

A provision is recognised when, at the reporting date, the Group has a constructive or present legal obligation as a result of past events that can be reliably estimated and settlement of which will result for the Company in an outflow of resources embodying economic benefits.

The estimated amount set aside represents the outflow of resources that the Group will likely incur to settle its obligation.

As of 31 December 2010, no provision had been recognised.

Note 9 Non-current tax liabilities

As detailed in the consolidation principles and methods section, as a result of adopting SIIC status in January 2008, which exempts the Company from income tax, no deferred tax has been recognised.

Exit tax liabilities are associated with entry into this tax regime.

The payment of the exit tax is staggered over four years; the portion payable in more than a year is classified as a non-current tax liability whereas the portion payable within a year is classified in other current liabilities. With the final instalment being due on 15 December 2011, there was no longer any non-current portion at the end of the reporting period.

The exit tax liability was discounted at a rate of 6.94% for Office Property and 7.60% for Retail Property.

Note 10 Loans and borrowings

(in thousands of euros)	12/31/10	12/31/09
Issued bonds	54,000	54,000
Bank debts	156,685	138,095
Guarantee deposits received	2,595	3,407
NON-CURRENT	213,280	195,503
Bank debts	114,585	256,539
Accrued interest	7,584	4,698
Bank overdrafts	0	81
Guarantee deposits received	578	533
CURRENT	122,747	261,851
TOTAL LOANS AND BORROWINGS	**336,027**	**457,354**

The breakdown of loans and borrowings by maturity is as follows:

(in thousands of euros)	12/31/10	1 year	1-5 years	Over 5 years
Issued bonds	54,000	0	54,000	0
Bank debts	271,270	114,585	146,064	10,620
Guarantee deposits received	3,173	578	1,148	1,447
Accrued interest	7,584	7,584	0	0
Bank overdrafts	0	0	0	0
TOTAL LOANS AND BORROWINGS	**336,027**	**122,747**	**201,212**	**12,068**

The bonds were issued by an M.R.M. subsidiary and are not convertible. These bonds are issued at a nominal value of €1, maturing on 31 December 2013. The Company may redeem the bonds early at any time. In accordance with the option offered under the terms and conditions of the bond, the Group has elected to suspend the payment of interest on the bonds since the fourth quarter of 2008. A late payment penalty is provided for in this instance.

The debt maturing within a year consists of:

- a €4.4 million credit line maturing in April 2011;
- three credit lines for a total of €26.4 million maturing in July 2011;
- four credit lines for a total of €83.3 million maturing in September 2011.

As of 31 December 2010, the Group complied with the Loan-to-Value and ICR covenants agreed with its banking partners.

Principal characteristics of bank debts

Lending institution	Credit agreement date	Maturity	Total facility *in thousands of euros*	Total draw-downs as of 12/31/10 *in thousands of euros*	Due to banks as of 12/31/10 *in thousands of euros*
HSH Nordbank (1)	28/09/2007	27/09/2011	2,550	2,550	2,545
HSH Nordbank (1)	28/09/2007	27/09/2011	2,118	2,118	2,114
HSH Nordbank (1)	28/09/2007	27/09/2011	3,590	3,590	3,574
HSH Nordbank (1)	28/09/2007	27/09/2011	86,352	75,337	75,092
SaarLB	21/12/2007	20/12/2022	12,200	12,200	11,751
SaarLB	27/12/2007	26/12/2012	80,000	80,000	30,847
SaarLB	24/04/2008	23/04/2013	30,431	30,431	30,197
ING Real Estate (2)	24/07/2008	31/07/2011	6,814	6,814	6,344
ING Real Estate (2)	24/07/2008	31/07/2011	17,127	17,127	15,942
ING Real Estate (2)	24/07/2008	31/07/2011	4,440	4,440	4,128
SaarLB	19/04/2010	19/04/2011 & 2015	92,827	92,827	88,737
			338,449	**327,434**	**271,270**

(1) An amendment designed to restructure these credit lines was signed on 17 February 2011 (See 1.4 Events after the reporting period).

(2) An amendment to the credit agreement was signed on 2 July 2010 and was notably designed to progressively reduce the Loan-to-Value ratio to 60%, thereby opening the way for an extension or possible refinancing at maturity.

Given the draw-downs made up to 31 December 2010, the available funds as of that date were €11.015 million.

Change in bank debts

(in thousands of euros)	12/31/10
Opening net balance	394,634
Opening reclassification	0
Increases	95,934
Decreases	(191,687)
Deconsolidation	(28,385)
Other (debt issue expenses and discounting)	773
CLOSING NET BALANCE	**271,270**

Increases were primarily due to the refinancing of the debt of Commerce Rendement, as well as the various draw-downs made over the period.

Reductions were mainly due to the debt repaid as part of the refinancing of the debt backed to a retail property portfolio, as well as the debt payments and repayments made over the period in particular as part of the disposal of properties.

Finally the debt of DB Caravelle was deconsolidated following its disposal on 25 June 2010.

Bank debt – fixed/variable rate

(in thousands of euros)	Fixed rate	Variable rate	Total
Banks loans and borrowings	0	271,270	271,270

Note 11 Debts payable against non-current assets

Debts on non-current assets as of 31 December 2010 primarily related to Commerces Rendement (retail property) and Noratlas (office property).

(in thousands of euros)	12/31/10	12/31/09
Retail property	440	300
Office property	939	3,731
TOTAL DEBTS ON NON-CURRENT ASSETS	**1,380**	**4,032**

Note 12 Other liabilities

Other liabilities break down as follows:

(in thousands of euros)	12/31/10	12/31/09
Payments on accounts received	56	906
Company liabilities	51	59
Tax owed (1)	876	1,644
Other payables (2)	5,850	5,535
Current exit tax	2,916	7,097
Prepaid income	577	21
TOTAL OTHER LIABILITIES	**10,326**	**15,261**

(1) Other tax liabilities are primarily comprised of VAT collected and property taxes.
(2) Other debts concern essentially charges made to tenants.

Note 13 Gross rental revenues

Gross rental revenues consist of rents and similar income (e.g. parking revenues, etc.). Rent-free periods, stepped rents and key money are staggered over the lease term. For pre-2010 leases, the staggering was over the full term of the lease whereas the staggering period for leases coming into effect from 1 January 2010 is the fixed portion.

(in thousands of euros)	12/31/10	12/31/09
Retail property	12,596	14,194
Office property	12,720	16,157
TOTAL RENTAL REVENUES	**25,315**	**30,352**

Of the €25.3 million in gross rental revenues, contingent rents totalled €319 thousand.

Rents receivable under firm leases in the portfolio

(in thousands of euros)	12/31/10
Future minimum payment amounts	
Under 1 year	15,625
1 – 5 years	39,006
Over 5 years	9,253
TOTAL FUTURE PAYMENTS	**63,884**

Note 14 External property expenses not recovered

Expenses paid for and not billed back break down as follows:

(in thousands of euros)	12/31/10	12/31/09
Land tax and tax on offices and retail property	670	1,098
Rental and co-ownership expenses	1,907	2,333
TOTAL EXTERNAL PROPERTY EXPENSES NOT RECOVERED	**2,577**	**3,431**

Note 15 Operating expenses

Overheads break down as follows:

(in thousands of euros)	12/31/10	12/31/09
Insurance	278	287
Fees [(1)]	5,210	6,141
Bank charges	34	38
Other external purchases and expenses	721	764
Other taxes and duties	110	85
Employee benefits expense	123	95
TOTAL OPERATING EXPENSES	**6,476**	**7,410**

(1) Fees are primarily comprised of management fees and other fees connected with the property business.

Note 16 Other operating income

Other operating income amounted to €568 thousand and is primarily comprised of:

- €33 thousand in rebilling of work to tenants;
- €386 thousand in termination, insurance and other payments;
- €113 thousand in tax refunds.

Note 17 Gains (losses) on the deconsolidation of assets

Gains (losses) on the deconsolidation of assets break down as follows:

(in thousands of euros)	Disposal of investments	Disposal of buildings
Sales proceeds net of expenses	7,897	108,112
Amount of items disposed of	(9,190)	(114,567)
Reversal of adjustment entries (1)	(1,478)	(2,884)
GAIN (LOSS) ON DISPOSAL OF ASSETS	**(2,771)**	**(9,339)**

(1) The reversals related to the derecognition of rent-free periods and marketing fees that had been staggered over the lease term.

Note 18 Net borrowing cost

The net borrowing cost breaks down as follows:

(in thousands of euros)	12/31/10	12/31/09
Interest received	10	760
Capital gains and net income on sale of marketable securities	(21)	(45)
Interest and similar expenses	(10,044)	(13,872)
Other financial expenses	(373)	0
NET BORROWING COST	**(10,427)**	**(13,158)**

The “Interest and similar expenses” line item includes interest charges on bank debt as well as accrued interest on bonds.

Note 19 Change in fair value of financial instruments and marketable securities

This negative €643 thousand fair value change almost wholly stemmed from the change in the fair value of caps (see Note 6).

Note 20 Tax expense

As detailed in the consolidation principles and methods section, as a result of adopting SIIC status, which exempts the Company from income tax, no deferred tax has been recognised on activities within the scope of this regime.

The Group is nevertheless still liable for income tax on activities falling outside the scope of the SIIC regime. The tax expense recognised in 2010 with respect to wholly financial activities amounted to €85 thousand. On top of this was an additional tax expense of €17 thousand related to FY 2009.

Given that there was no temporary difference between the tax base of assets and liabilities falling outside the scope of the SIIC regime and their carrying amount in the consolidated financial statements, no deferred tax asset was recognised.

Note 21 Segment information

As detailed in the consolidation principles and methods section, for operating segment purposes the Group has used the breakdown in its property portfolio by the real estate market in which they are located. Namely the office and retail letting segments.

The main line items of the standalone income statement are thus as follows:

Consolidated income statement as of 12/31/10

(in thousands of euros)	Office	Retail	Head office	Total
NET RENTAL REVENUES	10,890	11,849	0	22,738
Operating expenses	(2,626)	(2,883)	(967)	(6,476)
Reversals of provisions	10	239	0	249
Provisions	(280)	(241)	0	(520)
Other operating income	126	435	7	568
Other operating expenses	90	(174)	(9)	(93)
OPERATING INCOME BEFORE CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES	8,211	9,225	(969)	16,467
Revenue from items removed from assets	(4,874)	(7,237)	0	(12,111)
Change in fair value of investment properties	(8,593)	(633)	0	(9,225)
OPERATING INCOME	**(5,256)**	**1,355**	**(969)**	**(4,870)**
Gross borrowing cost	(3,669)	(3,404)	(2,972)	(10,044)

Consolidated income statement as of 12/31/09

(in thousands of euros)	Office	Retail	Head office	Total
NET RENTAL REVENUES	13,408	13,513	0	26,921
Operating expenses	(2,820)	(3,393)	(1,196)	(7,410)
Reversals of provisions	54	337	0	391
Provisions	(150)	(320)	0	(471)
Other operating income	1,266	324	1	1,591
Other operating expenses	(67)	(273)	(11)	(351)
OPERATING INCOME BEFORE CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES	11,690	10,188	(1,207)	20,671
Revenue from items removed from assets	(1,698)	(313)	0	(2,011)
Change in fair value of investment properties	(27,701)	(9,400)	0	(37,101)
OPERATING INCOME	**(17,708)**	**475**	**(1,207)**	**(18,441)**
Gross borrowing cost	(6,097)	(4,310)	(2,826)	(13,232)

The main line items in the statement of financial position are as follows:

Consolidated financial statement as of 12/31/10 - assets

(in thousands of euros)	Office	Retail	Head office	Total
Investment properties	141,250	126,660	0	267,910
Properties held for sale	56,081	15,713	0	71,794
Cash and cash equivalents	1,567	6,947	3,661	12,175

Consolidated financial statement as of 12/31/09 - assets

(in thousands of euros)	Office	Retail	Head office	Total
Investment properties	178,650	108,600	0	287,250
Properties held for sale	110,472	94,089	0	204,560
Cash and cash equivalents	2,501	2,095	4,910	9,506

Consolidated financial statement as of 12/31/10 - liabilities

(in thousands of euros)	Office	Retail	Head office	Total
Non-current exit tax	0	0	0	0
Bonds	0	0	54,000	54,000
Non-current bank debts	61,080	95,605	0	156,685
Current borrowings	110,475	5,785	6,487	122,747
Debts payable against non-current assets	939	440	0	1,380
Current exit tax	1,465	1,451	0	2,916

Consolidated financial statement as of 12/31/10 - liabilities

(in thousands of euros)	Office	Retail	Head office	Total
Non-current exit tax	1,879	1,348	0	3,226
Bonds	0	0	54,000	54,000
Non-current bank debts	138,095	0	0	138,095
Current borrowings	108,101	150,235	3,516	261,851
Debts payable against non-current assets	3,731	300	0	4,032
Current exit tax	4,118	2,979	0	7,097

Note 22 Off-statement of financial position commitments

Commitments given

Commitments given are primarily comprised of:

(in thousands of euros)	
Debts guaranteed by collateral (principal and related) (1)	301,392
Pledging of securities (2)	
• Direct subsidiaries	48,225
• Sub-subsidiaries	24,698
Other commitments	
• Cash reserve	1,223
• Sureties and guarantees	8,342

(1) Carrying amount of borrowings.
(2) Purchase price of securities in separate financial statements.

Certain bank accounts of subsidiaries have been pledged to financial institutions.

Commitments received

Commitments received are primarily comprised of:

- Tenant deposits: €1.802 million;
- Financial performance bond: €618 thousand.

Note 23 Related parties

Transactions between M.R.M. Group companies and related parties are entered into on an arm's length basis (primarily agreements to provide services, property management and asset management).

By means of amendments to management protocols, the amount of asset management fees paid by the Group to CB Richard Ellis Investors for FY 2010 was established on the basis of an annual lump sum of €3.2 million. In the statement of financial position, the trade payables line item contains €345 thousand with respect to these fees, along with €57 thousand with respect to the debts on non-current assets line item.

Note 24 Information on the number of shares outstanding

The number of shares in the share capital, each with a par value of €8, was unchanged between 31 December 2009 and 31 December 2010 at 3,501,977. As of 31 December 2010, the Group held 23,560 treasury shares.

3.8 Statutory auditors' report on the consolidated financial statements, Year ended 31 December, 2010

To the shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of M.R.M. S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your Board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion expressed above, we draw your attention to the following note to the financial statements:

- The note 2.1, "Going Concern Principle", which sets out the actions undertaken by the company, justifying the upholding of the going concern principle under the year-end closing as of 31 December 2010. This note also refers to the notes 1.4 and 10 to the financial statements. The note 1.4. "Events subsequent to 31 December 2010" refers to the agreement reached with the partner bank on 17 February 2011 concerning a €83.6 million credit line maturing on 27 September 2011.The note 10 "Loans and other borrowings" sets out all the actions undertaken by the company, with the partner bank, in order to contend with the maturity of three credit lines on 31 July 2011.

2 Justification of our assessments

The financial crisis and accompanying economic crisis have brought about multiple consequences for businesses in terms of their activity and financing. These factors were considered by your company in appraising the appropriateness of the going concern agreement applied for the submission of financial statements as of 31 December 2010. The lack of liquidity in the property market and the certain difficulty in ascertaining the economic outlook create specific conditions this year for the preparation of financial statements, especially with regard to the accounting estimates required under accounting principles. As such, we have made our own appraisals, which we submit to you under Article L. 823-9 of the French Commercial Code.

Going concern

Based on our work and the information disclosed to us as of this date, and as part of our appreciation of the accounting principles followed by your company, we analyzed the actions undertaken, as well as the assumptions used by the company, which underlie the upholding of the going concern principle as set out in the notes 1.4, 2.1 and 10 to the financial statements. We have verified that the notes to the financial statements provide appropriate information.

Accounting estimates

Note 2.6.3 "Investment Properties", included in part 2 "Accounting Principles and Methods" to the notes to the financial statements, sets out the accounting method used for the valuation of investment property.

Investment properties are accounted at fair value, which is determined by independent appraisers who valued the property holdings of the Company as of 31 December of each year.

Our works consisted in examining the appraisers' reports, appreciating the data and assumptions retained in order to determine the overall valuations, ensuring that they take into account the real estate market context and verifying that the notes to the financial statements included in "Part 2. Accounting Principles and Methods" (note 2.6.3. "Investment Properties") and in "Part 4. Notes to the line items of the statement of financial position and comprehensive income statement" (note 2. "Investment properties") provide appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors

Paris La Défense, April, 14th, 2011
KPMG Audit
Department of KPMG S.A.
Régis Chemouny
Partner

Lyon, April, 14th, 2011
RSM CCI Conseils
Jean-Marc Pennequin
Partner

3.9 Annual financial statements for the year ended 31 December 2010

Statement of financial position as of 31 December 2010

► STATEMENT OF FINANCIAL POSITION - ASSETS

(in euros)	Gross	Depreciation and amortization	Net 12/31/2010	Net 12/31/2009
Set-up costs	18,403	(18,155)	248	3,477
Intangible assets	***18,403***	***(18,155)***	***248***	***3,477***
Equity investments	66,252,777	(13,839,273)	52,413,504	54,120,828
Other long-term investment securities	47,285	(20,941)	26,344	29,007
Non-current financial assets	***66,300,062***	***(13,860,214)***	***52,439,848***	***54,149,835***
NON-CURRENT ASSETS	66,318,466	(13,878,369)	52,440,096	54,153,312
Trade receivables	4,684	(4,684)	-	-
Other receivables	24,206,869	(9,931,903)	14,274,967	7,477,324
Receivables	***24,211,553*** (1)	***(9,936,587)***	***14,274,967***	***7,477,324***
Marketable securities	323,148	(79,982)	243,165	3,148,966
Cash	2,548,216	-	2,548,216	1,879,757
Prepaid expenses	7,209	-	7,209	12,593
Cash and cash equivalents	***2,878,573***	***(79,982)***	***2,798,591***	***5,041,316***
CURRENT ASSETS	27,090,126	(10,016,569)	17,073,558	12,518,640
TOTAL	**93,408,592**	**(23,894,938)**	**69,513,654**	**66,671,952**

(1) Of which at more than one year: 22,873,008.

► STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

(in euros)	12/31/2010	12/31/2009
Company or individual share capital	28,015,816	28,015,816
Additional paid-in capital	42,833,996	42,833,996
Revaluation reserves	339,807	339,807
Legal reserve	197,501	197,501
Other reserves	3,140,147	3,140,147
Retained earnings	(53,800,190)	(27,963,135)
Profit (loss) for the period	(11,552,840)	(25,837,055)
Net worth	***9,174,237***	***20,727,077***
Regulated provisions	341,270	239,965
EQUITY	9,515,507	20,967,042
Provisions for risk	29,911,098	15,848,536
PROVISIONS FOR LIABILITIES AND CHARGES	29,911,098	15,848,536
Bank loans and overdrafts	-	-
Loans and other borrowings	29,685,041	29,327,894
Borrowings	***29,685,041***	***29,327,894***
Trade payables	352,450	509,327
Tax and company liabilities	40,365	19,153
Other payables	9,193	-
Miscellaneous liabilities	***402,008***	***528,480***
LIABILITIES	30,087,049 (1)	29,856,374 (2)
TOTAL	**69,513,654**	**66,671,952**

(1) Of which less than one year: €13,722,897.
(2) Of which less than one year: €16,579,650.

Income statement as of 31 December 2010

(in euros)	France	Exports	12/31/2010	12/31/2009
Revenue on sale of services	132,000	-	132,000	198,946
Net revenue	**132,000**	**-**	**132,000**	**198,946**
Reversals of depreciation and amortisation, transfer of expenses			2,271,281	-
Other revenues			11	684
OPERATING INCOME			2,403,292	199,630
Other external purchases and expenses			1,305,810	1,053,454
External expenses			***1,305,810***	***1,053,454***
Taxes, duties and similar payments			***32,402***	***780***
Wages and salaries			86,961	67,133
Social charges			35,565	27,609
Employee benefits expense			***122,526***	***94,742***
Depreciation of non-current assets			3,229	6,387
Charges to provisions for current assets			4,470,169	5,014,019
Charges to provisions for liabilities and charges			14,062,562	7,749,535
Operating provisions			***18,535,960***	***12,769,941***
Other operating expenses			***19,507***	***9,045***
OPERATING EXPENSES			20,016,205	13,927,962
OPERATING PROFIT (LOSS)			(17,612,913)	(13,728,332)
Financial income from investments			842,425 (1)	569,430 (2)
Other interest and similar income			- (1)	35 (2)
Reversals of provisions and transfer of expenses			4,431,325	
Net income on sales of marketable securities			3,925	25,004
Financial income			***5,277,675***	***594,468***
Depreciation and amortisation - financial items			35,931	10,901,417
Interest and similar expenses			1,402,202 (3)	1,623,293 (4)
Net expenses on sales of marketable securities			24,921	70,315
Financial expenses			***1,463,054***	***12,595,025***
FINANCIAL PROFIT (LOSS)			3,814,621	(12,000,556)
CURRENT PROFIT (LOSS) BEFORE TAX			(13,798,292)	(25,728,888)
Exceptional income on management operations			-	-
Exceptional income on capital operations			8,419,886	-
Reversals of provisions and transfer of expenses			-	-
Exceptional income			***8,419,886***	***-***
Exceptional expenses on management operations			(10,877)	2,000
Exceptional expenses on capital operations			6,084,006	-
Depreciation and amortisation - exceptional items			101,305	106,166
Exceptional expenses			***6,174,434***	***108,166***
EXCEPTIONAL PROFIT (LOSS)			2,245,452	(108,166)
Income tax			-	-
TOTAL INCOME			16,100,853	794,099
TOTAL EXPENSES			27,653,693	26,631,153
PROFIT (LOSS) FOR THE PERIOD			**(11,552,840)**	**(25,837,055)**

(1) Of which income involving affiliates: €851,035.
(2) Of which income involving affiliates: €569,430.
(3) Of which income involving affiliates: €1,402,202.
(4) Of which interest involving affiliates: €1,623,292.

The financial year ended 31 December 2010, which covered a period of 12 months just like the prior year, presents a statement of financial position total for the financial year prior to appropriation of income of €69,513,6542 and an accounting loss of €11,552,840.

Highlights of the year

Equity investments

On 25 June 2010, the Company disposed of all its shares in DB Caravelle.

On 23 December 2010, the Company disposed of all the shares held in Immomarque to Commerces Rendement.

Liquidity agreement

On 24 December 2007, M.R.M. entered into a liquidity agreement with CM-CIC Securities for the purpose of improving liquidity and the regularity of quotations, in order to:

- trade in the market in order to stabilise the Company's stock price and provide liquidity for the Company's stock *via* an investment services provider;
- hold shares bought back for subsequent use as consideration or in exchange as part of acquisitions;
- ensure coverage of stock option plans and other means of granting shares to employees and/or corporate officers of the Group in compliance with legal and regulatory provisions, in particular as part of profit sharing, a company savings plan or bonus share awards;
- ensure coverage of marketable securities convertible to company shares in line with applicable regulations.

These objectives are presented without prejudice to the effective order of use of the authorisation to buy back shares, which would be dependent on needs and opportunities. The number of shares bought back by the Company with a view to being held as treasury stock for subsequent use in consideration or in exchange as part of a merger, spin-off or asset transfer may not exceed 5% of its share capital.

At the start of the financial year, the Company held 19,483 treasury shares with a purchase value of €268,596. During FY 2010, it bought 6,480 treasury shares for €50,280 and sold 2,403 shares for €18,688. At the reporting date, it thus held 23,560 treasury shares, representing 0.67% of the share capital.

Appropriation of 2009 income

The Combined General Meeting of 10 June 2010 resolved to appropriate the 2009 loss of €25,837,055 to retained earnings, thereby reducing retained earnings to negative €53,800,190.

Appropriation of subsidiaries' 2010 income

Subsidiaries with the legal status of property holding companies or "*Société Civile Immobilière*" (SCI) have opted for their income to be allocated to retained earnings. This does not include SCI 3 Escudier which paid the company dividends of €131,109 in 2010.

For reference, all subsidiaries share the same reporting date of 31 December. Consequently, the company's financial profit (loss) as of 31 December 2010 does not include the 2010 share of profit of the property holding companies it owns.

Breaches of covenants and borrowings at maturity in the subsidiaries

Two loans taken out by M.R.M. subsidiaries will mature on 31/07/2011 and 27/09/2011, respectively for €26.4 million and €83.6 million.

With respect to the debt maturing on 31/07/2011, an amendment to the credit agreement was signed on 2 July 2010, notably designed to progressively reduce the Loan-to-Value ratio to 60%, thereby opening the way for an extension or possible refinancing at maturity.

With respect to the debt maturing on 27/09/2011, an amendment designed to restructure the debt and push the date of maturity back to 12/31/2013 was signed after the reporting date.

Accounting policies and methods

(French Commercial Code – Articles L. 123-12 and L. 123-28)
(Order no. 83-1020 of 29/11/83)
(CRC regulation no. 99-03: French National Accounting Code - PCG)

General principles and conventions

The annual financial statements are prepared in accordance with the rules of the 1999 French National Accounting Code (PCG) and generally accepted accounting principles in France.

General accounting conventions have been applied in accordance with the principle of prudence and the following basic assumptions:

- consistency of accounting methods;
- matching principle;
- going concern.

The recommendations set out in the Professional Guide for companies in the sector have been observed.

The financial year covers a period of 12 months from 1 January to 31 December 2010.

Accounting items are measured using the historical cost method.

The notes or tables provided below form an integral part of the annual financial statements.

The main accounting methods used are as follows:

1 Adoption of SIIC (listed property investment company) status

On 31 January 2008, the Company opted for SIIC status, with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 French Finance Act, is open to listed companies with share capital of over €15 million that are wholly engaged in property activities. It provides companies having opted for SIIC status on an irrevocable basis with an income tax exemption for the portion of their net profit generated from property activities, subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of the capital gains on the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

In 2008, the adoption of SIIC status resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5%, payable over four years. As such, no tax liability was recorded following the allocation of prior losses.

2 Non-current assets

The Company applies the provisions of CRC Regulation 2002-10 of 12 December 2002 and Regulation 2004-06 of 23 November 2006 on the definition, recognition, measurement, depreciation & amortisation and impairment of assets.

2.1 Intangible assets

Intangible assets are measured at cost (purchase price plus ancillary expenses). As of 31 December 2010, these were comprised of set-up costs and costs relating to the capital increase.

Set-up costs (primarily legal costs) of €181,122 were incurred in the creation of Dynamique Bureaux. These costs were borne by M.R.M., with a contribution value of €16,771. These costs, originally amortised over five years, are amortised over their remaining life.

Costs of €12,575 relating to the capital increase (legal costs) were incurred by Dynamique Bureaux in July 2006. These costs were borne by M.R.M., with a contribution value of €1,632. These costs, originally amortised over five years, are amortised over their remaining life.

3 Non-current financial assets

3.1 Equity investments

Equity investments are recognised on the statement of financial position at cost in accordance with the provisions of CRC regulation 2004-06 on the definition, recognition and measurement of assets. Pursuant to the option provided by Article 321.10 of the French National Accounting Code, the Company has opted for acquisition costs to be included in the value of securities. These acquisition costs are subject to excess tax depreciation over normal depreciation (accelerated depreciation) over a period of five years.

The majority of equity investments held by M.R.M. are property companies owning one or more office or retail properties.

At each reporting date, M.R.M. assesses the value of its equity investments relative to their value in use. The value in use of each subsidiary is determined with reference to the share of the net equity owned, remeasured on the basis of the value of property assets it owns, and with reference to its outlook. Property assets are subject to valuation by independent appraisers at each reporting date.

If the resulting value in use is under the carrying amount, an impairment loss is recognised.

3.2 Other non-current financial assets

These correspond to treasury shares held by M.R.M. outside the liquidity agreement.

Treasury shares acquired within the framework of the liquidity agreement are presented as marketable securities.

4 Current accounts associated with equity investments

M.R.M. has entered into an agreement on current account advances with some of its subsidiaries. These advances are classified as assets under “Other receivables”.

Current accounts in credit in M.R.M.’s books at the reporting date are classified as liabilities under “Loans and other borrowings”.

At each reporting date, where the net equity of subsidiaries owned by the company is negative, the current accounts are impaired up to the amount of the share of the net equity owned less existing provisions on investments.

5 Marketable securities and treasury shares

The gross amount represents the acquisition cost excluding ancillary expenses. When the net asset value falls below the gross amount, the difference is impaired. The net asset value of treasury shares is based on the average share price over the month preceding the end of the reporting period.

The gross amount of other long-term securities and investment securities represents the acquisition cost excluding ancillary expenses.

6 Receivables and payables

Receivables and payables are stated at face value.

As regards receivables, the risk of non-collection is assessed at each reporting date and an impairment loss recognised where the net asset value falls below the carrying amount.

7 Provisions

Provisions are valued in accordance with the provisions of CRC regulation 2000-06. Provisions have in particular been funded for the negative net equity of property holding companies (SCIs) owned, less provisions already recognised on the asset side (on investments and current accounts).

8 Concept of current and exceptional profit (loss)

Items stemming from ordinary activities, including those that are exceptional in terms of their frequency or amount, are included in current profit (loss). Only items not relating to the company's ordinary activities are recognised as exceptional items.

Notes to the separate financial statements

► BREAKDOWN OF NON-CURRENT ASSETS

Type *(in euros)*	Gross amount at start of period	Increases through revaluation	Increases through acquisition
Set-up and development costs	18,403	-	-
Intangible assets	***18,403***	**-**	**-**
Other investments	72,343,897	-	-
Other long-term investment securities	47,285	-	-
Non-current financial assets	***72,391,182***	**-**	**-**
GRAND TOTAL	**72,409,585**	**-**	**-**

Type *(in euros)*	Reductions through transfers	Reductions through disposals	Gross amount at end of period	Remeasurement Cost price at end of period
Set-up and development costs	-	-	18,403	-
Intangible assets	**-**	**-**	***18,403***	**-**
Other investments	7,114	6,084,006	66,252,777	-
Other long-term investment securities	-	-	47,285	-
Non-current financial assets	***7,114***	***6,084,006***	***66,300,063***	**-**
GRAND TOTAL	**7,114**	**6,084,006**	**66,318,466**	**-**

► BREAKDOWN OF AMORTISATION AND DEPRECIATION

Positions and movements over the period:

Depreciable non-current assets *(in euros)*	Amount at start of period	Increases/ charges	Decreases/ reversals	Amount at end of period
Set-up and research & development costs	14,926	3,229	-	18,155
Intangible assets	***14,926***	***3,229***	**-**	***18,155***
GRAND TOTAL	**14,926**	**3,229**	**-**	**18,155**

Breakdown of depreciation and amortisation for the period:

Depreciable non-current assets *(in euros)*	Straight-line amortisation	Declining balance amortisation	Exceptional amortisation	Accelerated amortisation
Set-up and research & development costs	3,229	-	-	-
Intangible assets	***3,229***	**-**	**-**	**-**
GRAND TOTAL	**3,229**	**-**	**-**	**-**

BREAKDOWN OF PROVISIONS

Type *(in euros)*	Amount at start of period	Increases/ charges	Decreases Used	Decreases Not used	Amount at end of period
Accelerated amortisation	239,965	101,305	-	-	341,270
Regulated provisions	**239,965**	**101,305**	**-**	**-**	**341,270**
Other provisions for liabilities and charges	15,848,536	14,062,562	-	-	29,911,098
Provisions for liabilities and charges	**15,848,536**	**14,062,562**	**-**	**-**	**29,911,098**
Provisions for long-term investments	18,223,069	25,951	4,409,747	-	13,839,273
Provisions for other non-current financial assets	18,278	2,663		-	20,941
Provisions for accounts receivable	4,684	-	-	-	4,684
Other provisions for impairment	7,827,258	4,477,486	2,292,859	-	10,011,885
Provisions for impairment	**26,073,289**	**4,506,100**	**6,702,606**	**-**	**23,876,783**
GRAND TOTAL	**42,161,790**	**18,669,967**	**6,702,606**	**-**	**54,129,151**
Of which charges and reversals:					
• *Operating*		*18,532,731*	*2,271,281*		
• *Financial*		*35,931*	*4,431,325*		
• *Exceptional*		*101,305*			

Other investments break down as follows:

- wholly owned companies:
  - DB Cougar: the gross amount of the shares as of 12/31/2010 was €381,250. The shares were wholly written down as of 12/31/2010,
  - DB Albatros: the gross amount of the shares as of 12/31/2010 was €17,348,176. Impairment losses of €13,176,541 had been recognised on these shares as of 12/31/2010,
  - DB Tucano: the gross amount of the shares as of 12/31/2010 was €216,271. As of that date, the shares had been wholly written down,
  - Investors Retail Holding: the gross amount of the shares as of 12/31/2010 was €14,486,508. Impairment losses of €25,951 had been recognised on these shares as of 12/31/2010,
  - DB Neptune: the gross amount of the shares as of 12/31/2010 was €16,265. As of that date, the shares had been wholly written down;
- companies between 50% and 100% owned:
  - SCI Noratlas: the gross amount of the shares as of 12/31/2010 was €999. As of that date, the shares had been wholly written down,
  - SCI 3 rue Escudier: the gross amount of the shares as of 12/31/2010 was €2,363,621. Impairment losses of €21,004 had been recognised on these shares as of 12/31/2010,
  - SCI Immovert: the gross amount of the shares as of 12/31/2010 was €992. As of that date, the shares had been wholly written down.

The other impairment provisions were primarily for the impairment of the current accounts of subsidiaries. These mainly involved DB Tucano (€2,065,605), SCI Noratlas (€4,642,174) and SCI Immovert (€2,842,349).

€29,911,098 in provisions was recognised on the liability side, for SCI Noratlas.

SCHEDULE OF RECEIVABLES AND PAYABLES

Schedule of receivables *(in euros)*	Gross amount	Within 1 year	Over 1 year
Doubtful accounts receivable	4,684	4,684	-
Government - Value added tax	321,621	321,621	-
Group and partners	23,535,202	662,194	22,873,008
Miscellaneous debtors	350,047	350,047	-
Prepaid expenses	7,209	7,209	-
GRAND TOTAL	**24,218,762**	**1,345,754**	**22,873,008**

Schedule of payables *(in euros)*	Gross amount	Within 1 year	1 to 5 years	Over 5 years
Loans and other borrowings	17,262,076	897,924	16,364,152	-
Trade payables	352,450	352,450	-	-
Loans to employees	2,019	2,019	-	-
Social security and other	12,771	12,771	-	-
Other taxes and duties	25,574	25,574	-	-
Group and partners	12,422,964	12,422,964	-	-
Other payables	9,193	9,193	-	-
GRAND TOTAL	**30,087,049**	**13,722,897**	**16,364,152**	**-**
LOANS TAKEN OUT DURING THE FINANCIAL YEAR	3,135,324			
LOANS REPAID DURING THE FINANCIAL YEAR	47,896			

BREAKDOWN OF THE SHARE CAPITAL

(Order no. 83-1020 of 29/11/83 Article 24-12)

		Number of shares			
Various share classes	Par value in euros	Opening	Created	Cancelled	Closing
Shares	8	3,501,977	-	-	3,501,977

CHANGES IN EQUITY *(in euros)*

Account title	Opening balance	Appropriation of income	Increase	Decrease	Closing balance
Paid-up capital	28,015,816				28,015,816
Additional paid-in capital	42,833,996				42,833,996
Reserves	3,337,648				3,337,648
Revaluation reserves	339,807				339,807
Retained earnings	(27,963,135)	(25,837,055)			(53,800,190)
Profit (loss) for the period	(25,837,055)	25,837,055		(11,552,840)	(11,552,840)
Regulated provisions	239,965		101,305	-	341,270
TOTAL EQUITY	**20,967,042**	**-**	**101,305**	**11,552,840**	**9,515,507**

GOODWILL

(Order no. 83-1020 of 11/29/83 Article 19)

ACCRUED INCOME

(Order no. 83-1020 of 11/29/83 Article 23)

Accrued income included in the following statement of financial position items *(in euros)*	Amount
Other receivables	662,194
TOTAL	**662,194**

ACCRUED EXPENSES

(Order no. 83-1020 of 29/11/83 Article 23)

Accrued expenses included in the following statement of financial position items *(in euros)*	Amount
Loans and other borrowings	504,277
Trade payables	342,795
Tax and social security liabilities	28,447
Debts on non-current assets	897,925
Other payables	9,000
TOTAL	**1,782,444**

PREPAID INCOME AND EXPENSES

(Order no. 83-1020 of 11/29/83 Article 23)

Prepaid expenses *(in euros)*	Amount
Operating expenses	7,209
TOTAL	**7,209**

ITEMS RELATING TO A NUMBER OF STATEMENT OF FINANCIAL POSITION ITEMS

(Order no. 83-1020 of 11/29/83 Article 24-15)

	Amount concerning companies		Amount of payables and receivables comprised of bills of exchange
Statement of financial position items *(in euros)*	That are affiliates	In which the Company has an equity interest	
Equity investments	52,413,504		
Other receivables	13,583,312		
Loans and other borrowings	17,262,076		
Other payables	12,422,964		

► BREAKDOWN OF NET REVENUE

(Order no. 83-1020 of 11/29/83 Article 24-21)

Breakdown by business segment *(in euros)*	Amount
Remuneration of presidency	132,000
TOTAL	**132,000**

Breakdown by geographic segment *(in euros)*	Amount
Paris	132,000
TOTAL	**132,000**

► AVERAGE NUMBER OF EMPLOYEES

(Order no. 83-1020 of 11/29/83 Article 24-22)

Number of employees	Employees	Staff seconded to the company
Management	1	-
TOTAL	**1**	**-**

► FINANCIAL INCOME AND EXPENSES INVOLVING AFFILIATES

(in euros)	Financial expenses	Financial income
TOTAL	**1,427,123**	**846,350**
Of which affiliates	*1,402,202*	*842,425*

► FEES PAID TO THE STATUTORY AUDITORS

The total fees paid to the statutory auditors recognised in the income statement for the financial year amounted to €216,070.

► FINANCIAL COMMITMENTS

(Order no. 83-1020 of 11/29/83 Article 24-9 and 24-16)

Commitments given *(in euros)*		Amount
Other commitments given		***15,489,754***
Pledging of DB Fouga shares	3,117,117	
Pledging of DB Piper shares	1,873,551	
Pledging of DB Cougar shares	381,250	
Pledging of SCI Noratlas shares	999	
Pledging of SCI 3 rue Escudier shares	2,363,621	
Pledging of SCI Boulogne-Escudier shares	4,213,260	
Pledging of SCI 10 bis rue Escudier shares	2,850,159	
Pledging of SCI Immovert shares	992	
Pledging of DB Tucano shares	216,271	
Cash collateral	472,534	
TOTAL (1)		**15,489,754**

(1) Of which involving subsidiaries *15,017,220*

► LIST OF SUBSIDIARIES AND AFFILIATES

(Order no. 83-1020 of 11/29/83 Article 24-11)

Subsidiaries and equity investments	Share capital	Equity	Percentage capital owned (%)	Carrying amount of shares owned		Revenue for year ended	Net profit for year ended	Loans and advances granted and not repaid
				Gross	Net			
A. DETAILED INFORMATION ON SUBSIDIARIES AND AFFILIATES								
1. Subsidiaries (Over 50% of the share capital):								
DB Cougar	37,000	(224,103)	100,00%	381,500	-	12,000	(94,363)	328,916
DB Dynamique Financière	37,000	272,403	100,00%	1	1	-	120,274	-
DB Fouga	37,000	2,690,553	100,00%	3,117,117	3,117,117	2,980,884	488,813	-
DB Albatros	37,000	5,046,070	100,00%	17,348,176	4,171,635	12,000	5,310,680	-
DB Piper	37,000	(819,099)	100,00%	1,873,551	1,873,551	1,681,935	(518,238)	1,509,286
DB Tucano	37,000	(4,815,132)	100,00%	216,271		99,418	(1,618,546)	2,462,757
Investors Retail Holding	3,472,000	11,901,544	100,00%	14,486,508	14,460,557	-	(912,987)	-
DB Neptune	37,000	145,402	100,00%	16,265	-	-	(31,635)	32,871
SCI du 10 bis rue Escudier	228,480	601,396	99,99%	2,850,159	2,850,159	194,953	195,293	-
SCI Boulogne-Escudier	76,800	512,773	99,98%	4,213,260	4,092,164	324,130	257,999	-
SCI Noratlas	1,000	(37,159,039)	99,90%	999	-	1,133,712	(15,680,234)	4,642,174
SCI du 3 rue Escudier	74,970	2,352,596	99,80%	2,363,621	2,342,617	180,879	102,201	-
SCI Immovert	1,000	(2,845,429)	99,20%	992	-	1,483,434	605,038	3,769,346
Commerces Rendement	5,401,600	18,884,640	58,53%	18,860,888	18,860,888	10,368,469	(14,198,385)	10,519,150
2. Affiliates (10-50% of the share capital)								
B. GENERAL INFORMATION ON OTHER SUBSIDIARIES AND AFFILIATES								
1. Subsidiaries not included in A:								
French								
Foreign								
2. Affiliates not included in A:								
French								
Foreign								

► RESULTS AND OTHER MATERIAL ITEMS FOR THE PAST FIVE YEARS

(Order no. 67-236 of 23 March 1967)

Type	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Share capital at end of period					
Share Capital	28,015,816	28,015,816	28,015,816	28,015,816	4,574,704
Number shares: of					
• Existing ordinary	3,501,977	3,501,977	3,501,977	3,501,977	571,838
• Existing preferred shares (without ing rights) vot					
Maximum number of future shares to be created:					
• Through version of ondscon b					
• Through exercise of subscription rights					
Operating performance and results for the period					
Revenue excluding VAT	132,000	198,946	204,000	52,803	491,278
Profit (loss) before tax, employee profit-sharing, amortisation, depreciation and provisions	417,750	(2,059,530)	(1,736,354)	(8,234,589)	(100,934)
Income tax		-	-	23,100	54,075
Employee profit-sharing for the period					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	(11,552,840)	(25,837,055)	(19,882,685)	(1,062,557)	(482,066)
Income distributed					
Earnings per share					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	0.12	(0.59)	(0.50)	(2.36)	-
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	(3.30)	(7.38)	(5.68)	(0.30)	(0.84)
Dividend er share p					
Number of employees					
Average number of employees during the period	1	1	1	1	1
Payroll for the period	94,076	67,133	47,659	22,717	35,456
Amount paid in employee benefits (Social security, social welfare…)	35,565	27,609	19,184	9,823	15,432

3.10 Statutory auditors' report on the annual financial statements, Financial year ended 31 December 2010

To the shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the auditing of the accompanying financial statements of M.R.M. S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by your Board of directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without calling into question the opinion expressed above, we draw your attention to the note 5 in "Key events of the financial year", which mentions that agreements were signed by the company for bank debts with the maturity in 2011.

2 Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we bring to your attention the following matters.

The note 3 included in the paragraph "Rules and accounting policies" to the notes of the financial statements describes the rules and accounting policies relating to financial assets.

As part of our assessment of the rules and accounting principles applied by your Company, we verified the appropriateness of the accounting policies set out above and the information provided in the notes to the financial statements and we have ensured their correct application.

We have appreciated the accounting methods retained by the Company on this matter and we have performed some tests in order to ensure their application. The recoverable value of the shares in company that holds assets depends on the market value of these assets; we have verified that these assets were valued by an external appraiser. Our work consisted notably in examining the reports of the external appraisers, analyzing the data and assumptions retained in order to establish all the estimates and appreciating the approval processes of these estimates by the management.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to our opinion we forms which is expressed in the first part of this report.

3 Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of directors, and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code ("Code de commerce") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders has been properly disclosed in the management report.

The statutory auditors

Paris La Défense, 14 April 2011	Lyon, 14 April 2011
KPMG Audit	RSM CCI Conseils
Department of KPMG S.A.	
Régis Chemouny	Jean-Marc Pennequin
Partner	Partner

4. CORPORATE GOVERNANCE

4.1 Information on the management

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, we hereby inform you that your Board of directors has chosen one of the two methods of exercising general management provided by Article L. 225-51-1 of the French Commercial Code, deciding that the Chairman of the Board of directors will also be responsible for the general management of the Company. The Board of directors once again approved this method of exercising the general management of the Company in its session of 10 June 2010.

4.2 Board of directors

The Board of directors currently comprises seven directors. Two of the directors are independent based on the criteria established by the AFEP/MEDEF Corporate Governance Code dated December 2008 (hereinafter the "Corporate Governance Code").

The Board of directors consists of a minimum of three members and a maximum of 12, unless it has special legal dispensation. Directors are appointed by the Ordinary General Meeting, which may also remove them from office at any time. In the event of absence due to death or the resignation of one or more directors' seats, the Board of directors may make provisional appointments between two General Meetings. If the number of directors falls below three, the remaining director(s) must immediately call an Ordinary General Meeting with a view to adding members to the Board. Provisional appointments made by the Board are subject to ratification from the next Ordinary General Meeting. A director appointed to replace another member remains in office for the remaining term of office of their predecessor.

Each director must own at least one Company share (Article 11 of the Articles of Association).

The directors' term of office lasts four years and expires at the end of the Ordinary General Meeting to approve the financial statements for the past year, held in the year in which the term expires. On an exceptional basis, the General Meeting of 11 June 2009, which introduced the renewal of director appointments by rotation, decided to appoint several directors for a term of office of less than four years. Any outgoing directors may be re-elected.

The number of directors having reached the age of 70 may not exceed one-third of members of the Board of directors. If this limit is reached, the oldest director is expected to step down at the end of the Ordinary General Meeting to approve the financial statements for the year in which the above-mentioned one-third limit is exceeded (Article 11 of the Articles of Association).

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. When the Board votes on the termination of the Chairman's term of office, the Chairman does not take part in this vote (Article 12 of the Articles of Association). The age limit for holding office as Chairman is 68.

All offices held by the directors in the last five financial years are set out in the following paragraphs.

4.2.1 Composition of the Board of directors

The composition of the Board of directors did not change significantly in 2010.

Since the accounts closing and the finalisation of the report by the Chairman of the Board of directors on the functioning of the Board and internal control (refer to paragraph 4.5 of this report), two legal entities have changed their permanent representative on the Board, as is indicated in the schedule below.

The Board of directors has no member elected by the employees, M.R.M. having just one employee. No censor has been appointed.

Director's name	Position	Other offices and main positions held within the Group*	Other offices and main positions held outside the Group*	Other offices and positions held in the previous five years
Jacques Blanchard Date of birth: 18/02/1951 First appointment: 29 June 2007 End of current office: General Meeting to approve the 2012 financial statements Directly holds one share of the Company and 42,838 shares via the company JAPA, which he controls	Chairman of the Board of directors holding the position of Chief Executive Officer of M.R.M. SA	Managing Partner of SC JAPA Managing Director of CB Richard Ellis Investors		Member of the Management Board of Hammerson SA Co-manager of SCI Immovert Co-manager of the SCI Galetin II
Gérard Aubert Date of birth: 15/02/1944 First appointment: 20 April 2009 End of current office: General Meeting to approve the 2012 financial statements Holds 1 share of the Company	Independent director		Chairman of the SASU Trait d'Union Director of SOGEPROM SA Member of the Supervisory Board of Hoche Gestion Privée Board member and Chairman of the Investment Committee of Eurosic	Member of the management of CB Richard Ellis Agency SAS Member of the management of CB Richard Ellis Property SAS Member of the management of CB Richard Ellis Résidential SAS Member of the management of CB Richard Ellis Holding SAS Member of the management of 145-147 Rue de Courcelles
Séverine Farjon** Date of birth: 9/02/1975 First appointment: 11 June 2009 End of current office: General Meeting to approve the 2010 financial statements Holds 1 share of the Company	Independent director Chairman of the Audit committee of M.R.M. SA		Manager of Aldabra Conseil SARL	
CB Richard Ellis Investors SAS** represented by **Jean Lamothe***** its Chairman First appointment: 20 April 2009 End of current office: General Meeting to approve the 2010 financial statements Holds 1 share of the Company	Director		Chairman of Dynamique Hôtels SAS	Chairman of Dynamique Bureaux SAS Chairman of Commerces Rendement SAS
CB Richard Ellis European Warehousing Sàrl represented by **Peter DiCorpo****** its permanent representative First appointment: 20 April 2009 End of current office: General Meeting to approve the 2012 financial statements Holds 493,842 shares of the Company	Director			
SPE Office Sàrl** represented by **Eric Ravoire** its permanent representative First appointment: 20 April 2009 End of current office: General Meeting to approve the 2010 financial statements Holds 1 share of the Company	Director			
SPE Finance Sàrl** represented by **Frank Vitaglione** its permanent representative First appointment: 11 June 2009 End of current office: General Meeting to approve the 2010 financial statements Holds 1 share of the Company	Director Member of the Audit committee of M.R.M. SA			

* *Any company with a direct or indirect link to M.R.M. capital is considered part of the Group.*

** *Term of office arriving at its term and whose renewal will be proposed at the Combined General Meeting of 9 June 2011 (Please refer to the management report appearing in paragraph 3.6 of this Registration Document).*

*** *Jean Lamothe succeeded Peter DiCorpo in the role as Chairman of CB Richard Ellis Investors SAS on 16 November 2010, as well as in the role as the permanent representative of CB Richard Ellis Investors SAS on the M.R.M. Board of directors on 22 April 2011.*

**** *Peter DiCorpo succeeded Olivier Lemaistre in the role as the permanent representative of CB Richard Ellis European Warehousing Sàrl on the M.R.M. Board of directors on 21 April 2011.*

During its session on 20 April 2009, and with the aim of gradually implementing recommendations from the AFEP/MEDEF Corporate Governance Code dated December 2008 (the "AFEP/MEDEF Code"), the Board of directors agreed in principle to create an Audit committee within the Board. This committee's duties are as follows:

- to examine the financial statements and ensure the relevance and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- to monitor the process used to prepare the financial information;
- to monitor the effectiveness of the internal control and risk management systems.

During its meeting on 11 June 2009, the Board of directors appointed the following persons as members of the Audit committee, for an indefinite term:

- Mrs Séverine Farjon, independent director, as Chairman of the Audit committee;
- SPE Finance Sàrl, represented by Mr Frank Vitaglione.

Finally, in order to comply with the AFEP/MEDEF Code, the Chairman, in his report to the Board of directors on the Board's functioning and internal control, commented on the Company's implementation of the provisions of the AFEP/MEDEF Code during the 2010 financial year.

The content of the aforementioned report was settled during the Board of directors' meeting on 23 February 2011 and is included in paragraph 4.5 of this Registration Document. The method used by the Company to ensure compliance with the AFEP/MEDEF Code together with any possible change in corporate governance standards is presented in the first point of this report.

4.2.2 Professional experience of the directors

Jacques Blanchard	Jacques Blanchard has been Managing Director of CB Richard Ellis Investors since March 2003 and is in charge of the retail properties investment strategies in France. He has almost 20 years of experience in retail property. Before joining CB Richard Ellis Investors, he was Chief Executive Officer of the shopping centres division of the French subsidiary of the British property company Hammerson. Previously, as Property Director of Marks & Spencer for Continental Europe, he acquired more than 50,00[0] sqm of retail premises for 14 stores in France and other European countries. He also completed major restructuring/extension operations involving shops on Boulevard Haussmann in Paris and Rue Neuve in Brussels. Jacques Blanchard is a graduate of HEC and has a degree in Business Law.
Gérard Aubert	Gérard Aubert is a well-known figure in the property industry, with over 40 years of professional experience in the sector. From April 1979 to the end of 2006, he successively held positions as Deputy Chief Executive Officer, then Chief Executive Officer at CB Richard Ellis, and, finally, he has been Chairman since 1983. He is currently Chairman of the property consultancy agency Trait d'Union.
Séverine Farjon	Séverine Farjon is a property sector specialist, and has already held several positions within this sector. After starting her career as a financial analyst at Fortis Investment Bank, she was involved in initial public offerings and fund raising operations for real estate companies as Senior Vice President at Natixis (previously Ixis CIB) and then oversaw Investor Relations for a listed property company.
CB Richard Ellis Investors SAS	CB Richard Ellis Investors SAS is a property investment company with approximately €800 million in assets under management as of 31 December 2010. It manages investment programmes offering various risk/yield profiles on behalf of its customers. The CB Richard Ellis Investors group has operations in North America, Europe and Asia and employs more than 405 professionals globally and manages $ 37.6 million of assets as of 31 December 2010. As independent subsidiary of CB Richard Ellis Group, Inc. (NYSE: CBG), CB Richard Ellis Investors combines its real estate investment expertise with the resources of CB Richard Ellis, the leading group in commercial estate services worldwide.
CB Richard Ellis European Warehousing Sàrl	CB Richard Ellis European Warehousing Sàrl is a Luxembourg limited liability company with capital of €93,200 having its registered office at 35 boulevard Prince-Henri – L-1724 Luxembourg, identified under number B 94323 in the Luxembourg Trade and Companies Register, and controlled by the CB Richard Ellis Group. It is a holding company and its main asset is its stake in M.R.M., in which it holds 493,842 shares.
SPE Office Sàrl	SPE Office Sàrl is a Luxembourg limited liability company, with a capital of €93,200 and registered office at 35 boulevard Prince-Henri - L-1724 Luxembourg; it is identified under number B 94169 in the Luxembourg Trade and Companies Register. A subsidiary of CB Richard Ellis European Warehousing Sàrl, its main activity is the ownership of equity investments in property investment companies in France and Italy.
SPE Finance Sàrl	SPE Finance Sàrl is a Luxembourg limited liability company, with a capital of €12,500 and registered office at 35 boulevard Prince-Henri - L-1724 Luxembourg; it is identified under number B 94402 in the Luxembourg Trade and Companies Register. A subsidiary of CB Richard Ellis European Warehousing Sàrl, its main activity is the ownership of financial investments in property investment companies.

4.2.3 Family connections between these individuals

None.

4.3 Corporate governance

During the last five financial years:

- none of the directors has been found guilty of fraud;
- none of the directors has been associated as a corporate officer in any insolvency, sequestration proceedings or liquidation;
- none of the directors has been accused of any offence and/or been the subject of any official public penalty imposed by the statutory or regulatory authorities;
- none of the directors has been the subject of a court order preventing them from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of any company;
- none of the directors is linked to the Company or any of its subsidiaries by a service agreement granting any specific benefits.

The directors of the Company and their representatives, in the case of corporate entities, report to the Board of directors on any actual or potential conflicts of interest to which they are or may be exposed. In this respect, it is to be noted that several companies from the CB Richard Ellis Investors group hold together 17.1% of the Company's shareholding, and that CB Richard Ellis Investors SAS, a Company shareholder, is one of the directors. There is therefore a potential conflict of interest to which the Company pays particular attention and aims to prevent, in particular *via* the appointment of two independent directors to the Board of directors (Mr Gérard Aubert and Mrs Séverine Farjon).

In this respect, it is worth noting that CB Richard Ellis Investors SAS receives fees from the Company's subsidiaries for a significant sum. €3.2 million were thus received in 2010. This remuneration was received under property management contracts signed between CB Richard Ellis Investors SAS and the Company's subsidiaries, agreements whose terms are entirely reproduced in section 1.6 of this Registration Document. These agreements were initially signed on a date prior to the entry of the subsidiaries in the M.R.M. Group. M.R.M.'s Board of directors gives an opinion on the renewal of and the amounts due under these agreements annually.

In fact, M.R.M.'s asset portfolio was established following the merger and contributions of the Dynamique Bureaux and Commerces Rendement companies on 12 December 2007 (as presented in the offer document approved by the AMF under number E.07-163 dated 8 November 2007), and said management protocols were signed with the Commerces Rendement company and subsidiaries of Dynamique Bureaux at the time of their creation between January 2004 and September 2007. The Company is aware that these protocols do give rise to a potential conflict of interest and is considering a procedure to manage these conflicts, which also forms part of the framework for updating the internal regulations of the Company's Board of directors (cf. paragraph 1.1 of the Chairman of the Board of directors' report on the functioning of the Board and internal control, included in paragraph 4.5 of this Registration Document).

The members of the Board of directors, persons with close links to the management, as well as other management must, pursuant to the regulations in force, declare transactions made on the Company's shares and refrain from personally intervening in transactions involving M.R.M. shares during the following periods:

- during the two-week period before the date on which the Company's consolidated financial statements, or in the absence of these the annual financial statements, are made public;
- during the period between the date on which management obtains information which, if made public, could have a significant influence on the price of the Company shares and the date on which this information is made public.

4.4 Remuneration

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code and those of European Regulation 809/2004 (referred to as the Prospectus Directive), we now report the total remuneration and benefits of any nature paid by the Company or by companies under its control within the meaning of Article L. 223-16 of the French Commercial Code and by the Company controlling the Company within the meaning of the same Article, to each of the corporate officers during the financial year ended.

The Company's executive corporate officers for financial year 2010 are:

- Mr Jacques Blanchard, Chairman of the Board of directors responsible for general management since 20 April 2009.

The Company's non-executive corporate officers for financial year 2010 are:

- Mr Gérard Aubert, director since 20 April 2009;
- CB Richard Ellis Investors SAS, director since 20 April 2009;
- CB Richard Ellis European Warehousing Sàrl, director since 20 April 2009;
- SPE Office Sàrl, director since 20 April 2009;
- SPE Finance Sàrl, director since 11 June 2009;
- Mrs Séverine Farjon, director since 11 June 2009.

The corporate officers do not benefit from any deferred or conditional remuneration. As a result, the Company and its subsidiaries have not made provisions for the payment of pensions, retirement or other benefits.

The corporate officers did not receive any share subscription or purchase options or bonus shares, given that the Company did not set up any stock options or bonus share allocation plans.

During its meeting on 10 June 2010, the Board of directors decided to the use the sum of €30,000 in directors' fees, which had been allocated to the directors for the financial year ending 31 December 2010 by the General Meeting of 10 June 2010, to remunerate the attendance of independent directors. The other directors are not remunerated.

The following table summarises the remuneration received by executive corporate officers over the last two years:

Summary of remuneration and options and shares allocated to the Chairman and Chief Executive Officer	2009	2010
Jacques Blanchard	-	-
Remuneration due for the financial year	-	-
Value of options allocated during the financial year	-	-
Value of performance-related options allocated during the financial year	-	-

	Employment contract		Supplementary retirement plan		Compensation or benefits due following severance or a change in position		Compensation due under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques lanchard	B	X		X		X		X

The following table summarises the remuneration received by non-executive corporate officers over the last two years:

Directors' fees and other remuneration received by directors	Amounts paid in 2009	Amounts paid in 2010
Gérard Aubert		
Directors' fees	€3,750	€6,000
Other remuneration	-	-
CB Richard Ellis Investors SAS		
Directors' fees	-	-
Other remuneration	-	-
CB Richard Ellis European Warehousing Sàrl		
Directors' fees	-	-
Other remuneration	-	-
SPE Office Sàrl		
Directors' fees	-	-
Other remuneration	-	-
Séverine Farjon		
Directors' fees	€5,250	€13,500
Other remuneration	-	-
SPE Finance Sàrl		
Directors' fees	-	-
Other remuneration	-	-
TOTAL	**€9,000**	**€19,500**

Because no remuneration other than directors' fees were actually paid, the Company considers it adequate to only present summary tables for remuneration, as prescribed by the Corporate Governance Code and repeated in the AMF guide for preparing Registration Documents, dated 20 December 2010, rather than detailed tables, as these would essentially be empty.

4.5 Report of the Chairman of the Board of directors on the functioning of the Board and on internal control

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the purpose of this report is to set out the manner in which the work of the Company's Board of directors is prepared and organised, together with the internal control procedures put in place by the Company, and to present any limitations imposed by the Board of directors on the powers of the Chief Executive Officer. This report was prepared by the Chairman and Chief Executive Officer of the Company. In preparing this report, the Chairman relied on the framework published by the AMF in July 2010, on the implementation guide for medium- and small-size units published in July 2010, the DDAC law of 3 July 2008 and the AMF 2010 report on corporate governance and executive remuneration of 12 July 2010 and on the final report of the Audit committee of 22 July 2010.

The following steps were taken to prepare this report:

- meetings between the Property Managers, the Asset Manager, the Finance Director and the Chairman and Chief Executive Officer;
- meetings of the Audit committee;
- meetings between the accountants, the Finance Director and the Chairman and Chief Executive Officer.

1 Declaration of compliance with the AFEP/MEDEF Corporate Governance Code

Following discussions of the Board of directors on 24 November 2008, it was decided that the Company would gradually comply with the AFEP/MEDEF recommendations relating to corporate governance, including the recommendation of 6 October 2008 on the remuneration of executive corporate officers of listed companies, as incorporated in the AFEP/MEDEF Corporate Governance Code of December 2008 (the "AFEP/MEDEF Code"). In 2011 the Company would like to move its accounting basis to that recommended in the Middlenext Corporate Governance Code of December 2009 for medium- and small-size units, which is more adapted to the size of the Company.

The aforementioned AFEP/MEDEF Code may be consulted at the registered office.

In accordance with the provisions of Article L. 225-37 paragraph 7 of the French Commercial Code, the present report details the reasons why certain provisions of the AFEP/MEDEF Code, to which the Company has voluntarily referred, have been dismissed.

1.1 Internal regulations of the Board of directors

In its current form, the internal regulations of the Board of directors, adopted on 27 February 2008, only refer to the frequency of Board meetings and the use of video conferencing and telecommunications for Board meetings. Amendments the internal regulations are being studied to complete said regulations, in particular with regard to the need to submit certain specific transactions for prior approval of the Board, the means by which the Board is informed of the financial situation, the cash flow position and the Company's commitments, the specific rights and obligations of the directors as well as the means for evaluating the Board.

1.2 Independent directors

The Company applies the definition and criteria for independence established in point 8 of the AFEP/MEDEF Code. An independent director is a director who "*does not have any relationship whatsoever either with the company, its group or its managers, that could compromise the exercise of his or her freedom of judgement*".

The Company has two independent directors (out of seven total) as of the date of this report: Mr Gérard Aubert and Mrs Séverine Farjon, *i.e.* just under one third of its number, in accordance with the recommendations applicable to controlled companies (the CB Richard Ellis Group, although a minority in terms of share capital and voting rights, has decisive influence over the management of the Company, especially since five of the seven directors are from this group). This proportion is linked to the relatively reduced number of major players in the Company's market and the specific nature of its business, which makes it more difficult to recruit directors which are competent in this sector and have no links whatsoever with the CB Richard Ellis Group.

In application of the AFEP/MEDEF Code, the Board takes into account the following criteria when deciding on the independence of a director:

- *"the independent director is not an employee or corporate officer of the Company, an employee or director of the parent company or one of its consolidated companies and has not been for the last five years;*
- *is not a corporate officer of a company in which the Company holds, directly or indirectly, a director's position or in which an employee appointed as such or a corporate officer of the Company (current or having been within the last five years) holds a director's position;*
- *is not a client, supplier, merchant banker or investment banker:*
  - *with significant weighting for the Company or its Group,*
  - *or for which the Company or its Group represents a significant share of their business;*
- *do not have a close family link with a corporate officer;*

- *have not been an auditor for the Company during the last five years;*
- *have not been a company director for more than 12 years."*

At its meeting of 20 April 2009, the Board deliberated on the independence of Mr Gérard Aubert with respect to the above-mentioned criteria and determined that his situation differs from the independence criteria established in the AFEP/MEDEF Code with regard to two points:

- Mr Gérard Aubert was a corporate officer in one of the Group's companies less than five years prior to his appointment as a Company director;
- Mr Gérard Aubert's daughter-in-law is still a corporate officer of one of the Group's companies.

However, given that Mr Gérard Aubert is not only without any financial interest in the Group and has a strong personality that is unlikely to be influenced, as he demonstrated both when he managed a Group company and at the meetings of the Board of directors on which he has served since he was appointed, the Board of directors approved his status as an independent director.

At its meeting of 11 June 2009, the Board deliberated on the independence of Mrs Séverine Farjon with respect to the above-mentioned criteria, and determined that the situation of Mrs Séverine Farjon does comply with the criteria of the AFEP/MEDEF Code.

1.3 Specialised committees

On 20 April 2009, the Board of directors decided to establish an Audit committee within the Board, with the following duties:

- to examine the financial statements and ensure the relevancy and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- to monitor:
  - the method of preparing the financial information,
  - the effectiveness of the internal control and risk management systems,
  - the auditing of the annual financial statements and if needed, the consolidated financial statements by the statutory auditors,
  - the independence of the statutory auditors.

The members of the Audit Committee, appointed by decision of the Board of directors on 11 June 2009, for an indefinite term, are:

- Mrs Séverine Farjon, independent director, as Chairman of the Audit committee;
- SPE Finance Sàrl, represented by Mr Frank Vitaglione.

The proportion of independent directors within the Audit committee is below the two-thirds recommended by the AFEP/MEDEF Code, due to the reasons expressed above regarding the proportion of independent directors on the Board.

In addition to her previous positions as head of investor relations at a listed property company, Mrs Séverine Farjon has specific competency in financial and accounting matters as a result of her past experience as a financial analyst at Fortis Investment Bank and Senior Vice President at Natixis.

The Audit committee's duties concerning the examination of the financial statements cover the Company's year starting from 1 January 2009. The Audit committee is governed by internal regulations. These internal regulations are available on the Company's website (www.mrm.invest.com).

The Audit committee met nine times during the 2010 financial year, and these meetings included:

- interviews with the statutory auditors and the Finance Director regarding the preparation of the interim consolidated financial statements;
- preparation of the interim financial report;
- meetings with the statutory auditors and the Finance Director regarding the preparation of the annual separate and consolidated financial statements;
- monitoring of the procedure for the sale of certain property assets owned by the Company;
- exchanges with the statutory auditors, general management and the Director of Finances as part of monitoring renegotiations of credit maturities between the Group and certain banking establishments;
- monitoring of the Group's 12-month cash flow forecasts;
- monitoring of the management of breaches of banking covenants.

The Company does not have any other specialist committee at the date of the present report. This is due in particular to the specific nature of the Company in terms of size, activities and given that it only has one employee.

Concerning a remuneration committee, at the moment such a committee seems unnecessary since the executive corporate officers are not remunerated by the Company and given that it was decided that only independent directors would be paid directors' fees for which the amount for 2010 was fixed at €30,000 by the General Meeting on 10 June 2010, based on the breakdown presented in paragraph 2.8 of this report.

Concerning the appointments committee, the duties assigned to this body by the AFEP/MEDEF Code are currently directly performed by the Board of directors.

1.4 Situation of the Chairman and Chief Executive Officer

Mr Jacques Blanchard, Chairman and Chief Executive Officer of the Company, receives a salary from the company CB Richard Ellis Investors SAS, a company that belongs to the CB Richard Ellis Group, a group holding a stake in the Company through certain of its subsidiaries.

1.5 Methods of evaluating the Board of directors

The Board has not implemented any evaluation procedures for its method of operating. Implementation of such a procedure is being studied as a possible amendment to the Company's internal regulations (see 1.1. above).

2 Conditions for preparing and organising the work of the Board of directors

2.1 Rules governing the composition of the Board of directors

The Company is administered by a Board of directors of at least three and a maximum of 12 members, appointed by the Ordinary General Meeting of Shareholders for a period of four years. On an exceptional basis, the General Meeting which introduced the renewal of director appointments by rotation also decided to appoint several directors for a term of office under four years. The terms of office of outgoing directors can be renewed. The directors may be recalled at any time by the Ordinary General Meeting. The number of directors having reached the age of 70 may not exceed one-third of the total number holding office.

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. Since the General Meeting of 11 June 2009, it is specified in Article 12 of the Articles of Association that when the Board votes on whether to end the Chairman's term of office, the Chairman will abstain from voting. The age limit for holding office as Chairman is 68.

The Board of directors may appoint one or more Vice Chairmen if it deems useful.

The Board of directors currently comprises four members which are corporate entities and three members which are natural persons. (cf. paragraph 2.2. below)

2.2 Changes in the composition of the Board of directors

In 2010, a change occurred in the composition of the Board of directors:

- 15 February 2010: Mr Thibault de Valence resigned from his position as permanent representative of CB Richard Ellis Investors SAS on the Company's Board of directors;
- 15 February 2010: CB Richard Ellis Investors SAS appointed Mr Peter DiCorpo as its permanent representative on the Company's Board of directors.

At present, the Board of directors is composed of:

- Mr Jacques Blanchard, Chairman of the Board of directors and Chief Executive Officer, whose director term was renewed for four years, until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2012;
- Mr Gérard Aubert, independent director, appointed for four years, until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2012;
- CB Richard Ellis Investors SAS, appointed for two years, namely until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2010, represented by Mr Peter DiCorpo, a US citizen and resident;
- CB Richard Ellis European Warehousing Sàrl, appointed for four years, namely until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2012, represented by Mr Olivier Lemaistre;
- the company SPE Finance Sàrl, appointed for two years, until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2010 (appointment ratified by the Combined General Meeting of 11 June 2009), represented by Mr Eric Ravoire;
- SPE Finance Sàrl, appointed for two years, until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2010 (appointment ratified by the Combined General Meeting of 11 June 2009), represented by Mr Frank Vitaglione;
- Mrs Séverine Farjon, independent director, appointed for two years, until the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2010 (appointment ratified by the Combined General Meeting of 11 June 2009).

The Board of directors includes one woman, Mrs Séverine Farjon.

Since 29 June 2007, the Company's Board of directors no longer has a Vice Chairman.

The positions and offices held by the directors are presented in chapter 4 of the Registration Document.

The terms of office of the four following directors will expire at the General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2010:

- the company CB Richard Ellis Investors SAS, represented by Mr Peter DiCorpo;
- the company SPE Office Sàrl, represented by Mr Eric Ravoire;
- the company SPE Finance Sàrl, represented by Mr Frank Vitaglione;
- Mrs Séverine Farjon.

The renewal of the directors' terms will be proposed at the General Meeting called to approve the financial statements for the year ended 31 December 2010.

2.3 Missions of the Board of directors

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of directors determines M.R.M.'s business policies and monitors their implementation. Subject to the powers expressly attributed to shareholders' meetings and within the limits of the corporate object, the Board may consider any matter related to the successful operation of the Company, and makes decisions governing any matters that concern it.

In particular, the Board of directors examines and approves the interim and annual financial statements (separate and consolidated financial statements), approves the terms of the reports on the activity and results of the Company, and examines the Chairman's report on internal control.

The Board of directors carries out the controls and verifications as it sees fit. Each director receives all the information necessary to carry out their duties, and can obtain all the documents that they deem necessary.

2.4 Duties and powers of the Chairman and Chief Executive Officer

The Chairman of the Board of directors has overall responsibility for the general management of the Company. This mode of general management did not change during the financial year ended 31 December 2010.

The Chairman organises and directs the work of the Board of directors, and reports thereon to the General Meeting. The Chairman ensures that the Company's decision-making bodies operate correctly, and in particular ensures that the directors are able to accomplish their mission.

The Chairman and Chief Executive has the widest powers to act in all circumstances in the name of the Company. He carries out those powers subject to powers that are expressly attributed by law to shareholders' meetings and those that are especially reserved for the Board of directors, and within the limitations of the corporate object. He represents the Company in its relations with third parties. The powers of the Chairman and Chief Executive Officer are not subject to any statutory or other limitation.

No annual authorisation was given by the Board of directors to the Chairman and Chief Executive Officer to give bonds, securities and guarantees to the tax and customs authorities and/or with respect to third parties on the Company's behalf, for a period not exceeding one year and, save in the case of guarantees given to tax and customs authorities, subject to the limitations of a overall upper limit set by the Board. Thus every bond, security or guarantee made by the Company to guarantee commitments entered into by third parties must be authorised in advance by the Board of directors, in accordance with the provisions of Article L. 225-35 of the French Commercial Code.

Throughout the financial year ended 31 December 2010 and to date, the Company has not had and does not have a Deputy Chief Executive Officer.

2.5 Meetings and decisions of the Board of directors

The Board of directors meets as often required in the interests of the Company, either at the head office or in any other place specified in the notice of meeting. Board meetings may be convened by the Chairman by any means. If the Board has not met for more than two months, one third of its members may ask the Chairman to call for a meeting to consider a particular agenda. If the Chairman is not responsible for general management, the Chief Executive Officer can also ask the Chairman to call for a meeting of the Board of directors to consider a particular agenda.

Meetings are chaired by the Chairman of the Board of directors. In the event that the Chairman is absent, the Board is chaired either by a Vice Chairman or, in the absence of any Vice Chairman or if none has been appointed, by one of its members appointed by the Board to chair the meeting.

The Board can only validly deliberate if at least half of its members are present. Decisions are taken by a majority of the votes of the members present or represented.

The Board of directors of the Company has internal regulations that were adopted at the meeting of the Board of 27 February 2008. These internal regulations, which are being amended, are available on the Company's website at www.mrminvest.com.

In particular, the Board's internal regulations provide that it must meet at least four times per year in accordance with a timetable arranged sufficiently in advance to enable its members to attend. The Board also organises the use of video conferencing or telecommunications technology for Board meetings, and allows the directors who participate in Board meetings by such means to be considered as present for the purposes of calculating quorum and majority, subject to the limitations and conditions laid down by current legislation and regulations. These provisions do not apply to Board meetings whose agenda relates to the approval of the annual financial statements, consolidated financial statements and management report.

2.6 Meetings of the Board of directors during the 2010 financial year

During the financial year ended 31 December 2010 the Board of directors met nine times:

- on 20 January 2010, with six members present, the Board examined the appraisal values of property assets in the portfolio as of 31 December 2009 and evaluated the negotiations with banking establishments on early redemptions and the necessary maturity extensions, on the arbitrage plan and the 12-month cash flow position and associated action plan;
- on 24 February 2010, in the presence of its seven members, the Board of directors approved the separate and consolidated financial statements and proposed the allocation of the earnings of the financial year ended 31 December 2009, approved the reports of the Board of directors, heard the reports on the progress of negotiations with the banking establishments for early redemptions and the necessary maturity extensions, on the arbitrage plan and on the 12-month cash flow position and the associated action plan, and the Chairman presented his report prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code;
- on 6 April 2010, in the presence of its seven members, the Board updated the situation on the sale of assets, on the discussions with banking establishments concerning the loan due on 20 April 2010 and on the 12-month cash flow position and the associated action plan, and authorised the Company's commitment to guarantee SAS Commerces Rendement (Company subsidiary) with respect to future payments for restructuring work on the "Galerie du Palais" shopping centre in Tours and repayment of the junior tranche of the new SaarLb credit as part of its refinancing;
- on 19 April 2010, in the presence of five members (a sixth was represented) the Board amended the consolidated financial statements and the management report for the year ended 31 December 2009 to incorporate major events that occurred after closing, agreed to convene the Annual Ordinary General Meeting, set its agenda, and established and prepared the draft text for resolutions submitted to the vote of the General Meeting;

- on 10 June 2010, in the presence of four members, the Board of directors began implementation of the share buyback programme approved by the General Meeting of 10 June 2010, defined the procedures for remuneration of independent directors, authorised Mr Jacques Blanchard to negotiate and sign the sale contract for all the shares of SAS DB Caravelle and to negotiate within certain limits the terms relating to the liability guarantee that will be contained in the sale deed, and heard the report on the remuneration of the Asset Manager CB Richard Ellis Investors in 2010;
- on 2 July 2010, in the presence of four members, the Board of directors authorised the Company's commitment to contribute to SAS DB Piper, DB Tucano and Boulevard des Iles (Company subsidiaries) the equity necessary to pay the exit tax due by these subsidiaries, as well as the operating expenses of the two companies if necessary;
- on 15 September 2010, in the presence of five members, the Board approved the interim consolidated financial statements as of 30 June 2010 as well as the related interim financial report and heard the reports on the progress of the arbitrage plan and the 12-month cash flow situation;
- on 16 November 2010, in the presence of its seven members, the Board heard the report on the situation of the company Noratlas (Company subsidiary) and on the progress of discussions with the lending banking establishment, on the asset sales in progress, on the project to enlarge the Ecole Valentin shopping centre (Doubs) and on the business plan at end-2012 and its related cash forecasts;
- on 15 December 2010, in the presence of six members, the Board reported on the progress of negotiations with the banking establishment concerning the loan due in September 2011, on the asset sales in progress and on the rate hedging system of the Group's mortgage debt, and decided to continue suspending payment of bond interest.

2.7 Meetings of the Board of directors during the 2011 financial year

Since 1 January 2010, there has been one meeting of the Board of directors:

- on 1 February 2011, in the presence of four members, the Board approved the terms of the agreement negotiated with the bank partner on the restructuring of the debt maturing in September 2011.

2.8 Remuneration allocated to corporate officers

The Ordinary General Meeting of 10 June 2010 allocated an overall amount of €30,000 for directors' fees for the financial year ending 31 December 2010.

During its meeting on 10 June 2010, the Board decided to use this amount to remunerate the attendance of the independent directors, with the following limits:

- remuneration of €750 per session of the Board of directors attended by the independent director;
- remuneration of €750 per session of the Audit committee attended by the independent director.

The other directors are not remunerated. The Board of directors did not allocate any remuneration to the Chairman and Chief Executive Officer of the Company.

2.9 Participation of shareholders in the General Meeting

In accordance with the provisions of Article L. 225-37 paragraph 8 of the French Commercial Code, the methods relating to shareholders' participation in the General Meeting are outlined in Article 16 of the Company's Articles of Association.

2.10 Elements which may have an influence in the event of a public tender offer

The information required by Article L. 225-100-3 of the French Commercial Code is published in the Board of directors' management report for the financial year ended 31 December 2010 and is included in chapter 3 of the Registration Document.

2.11 Resolutions concerning delegation of authority proposed at the General Meeting

The text of the resolutions is included in chapter 7 of the Registration Document.

2.12 Management of conflicts of interest

The policy for managing conflicts of interest is included in chapter 4.3 of the Registration Document.

The Board of directors does not have a procedure for designating a Referent Director in regard to conflicts of interest.

3 Internal control procedures

The Company and all its subsidiaries, which are all integrated in the scope of consolidation, are subject to internal control.

3.1 Objectives of internal control procedures

The purpose of the control procedures implemented by the M.R.M. Group (*i.e.* the Company and all subsidiaries) is the following:

- to ensure compliance with the defined values, strategies and objectives and to ensure that management actions are consistent with the Company's corporate object and the strategic objectives defined by the Board of directors, in compliance with current laws and regulations, the Company's corporate interest and that of each of its subsidiaries;
- to improve the efficiency of the Company's operations and enable the efficient use of resources;
- to coordinate the successful transmission of accounting, financial and management information between external parties and the management of the M.R.M. group; and
- to prevent and overcome risks associated with the M.R.M. group's activities, and the risks of errors or fraud, in particular in the accounting and financial field.

Internal control cannot however provide an absolute guarantee that the Company's objectives will be achieved.

3.2 Internal control parties

3.2.1 The Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer is responsible for the transmission and coordination of financial information between the various parties involved, and in particular the Asset Manager, in pursuit of the defined strategy. This person ensures the quality of the internal control and risk management systems.

The Chairman and Chief Executive Officer and the Board of directors oversee the companies in the M.R.M. group in general and make sure that its legal, contractual, financial, fiscal and administrative obligations are performed so that the Company is managed in the best and most efficient way.

In order to carry out his duties successfully, the Chairman and Chief Executive Officer makes sure he is informed by the Asset Manager about all matters relating to the companies in the M.R.M. group, takes any steps necessary to collect such information, if necessary, approves the decisions taken and alerts the competent bodies of the potentially unfavourable consequences of decisions left unresolved.

The Chairman and Chief Executive Officer oversees the actions of the Asset Manager, and is responsible for the preparation and presentation of the general budget and business plan setting out the objectives and strategy in the short- and medium-term.

The Board of directors' annual management report to the General Meeting identifies and describes the management of the main risks that could impact the Company's activities and those of the M.R.M. group.

3.2.2 The Audit committee

The Audit committee monitors the processes used to prepare the separate and consolidated financial statements and assesses the validity of the methods selected to handle important transactions. It reports to the Board of directors.

The financial statements are examined in conjunction with the intervention of the statutory auditors. This focuses mainly on the nature of the methods used to prepare and examine the financial statements.

To perform its duties, the Audit committee mainly:

- requests information of every person that it may wish to and, in particular, the Chairman and Chief Executive Officer, the statutory auditors, the Asset Manager, the Property Managers, the Finance Director and the accounting and cash flow managers within the M.R.M. group;
- checks the existence of internal procedures used to maintain, prepare and check the financial statements and the existence of internal control systems and risk management systems;
- verifies significant transactions when these could give rise to a conflict of interest.

In particular, the Audit committee hears the statutory auditors on:

- their plan and methodology for examining the financial statements;
- the main choices made in preparation of the financial statements and the possible alternative options to accounting choices made by the Company, indicating, in the latter case, the accounting treatment which they prefer;
- the examinations, verifications and tests they have completed;
- the main risks not reflected in the financial statements (in particular, market risks and significant commitments not included in the balance sheet);
- the main problems encountered when performing their duties; and
- any limitations placed on their audits.

The Audit committee examines the main areas of risks and uncertainties on the annual and consolidated financial statements (including any interim statements) identified by the statutory auditors, their auditing approach and any difficulties encountered in the execution of their mission.

The Audit committee also examines the methods used to ensure the reliability of the accounting and financial information provided to shareholders and the market. These methods differ depending on whether the financial information distributed is periodic or permanent information.

When it is periodical financial information, the examination of the methods used to ensure the reliability of the information is within the framework of the examination of the methods used to prepare and check the financial statements. This examination will in principle be conducted prior to any official announcement by the Company.

The speed at which the permanent information must be distributed usually prevents prior examination by the Audit committee of the information distributed by the Company. This examination will therefore be conducted *a posteriori*.

3.2.3 The Asset Manager

The Company has appointed CB Richard Ellis Investors SAS as its sole agent (the Asset Manager), for the purposes of:

- advising the M.R.M. group's subsidiaries on strategic decisions relating to the property investments that they intend to make;
- assisting the M.R.M. group's subsidiaries with the management, valuation, administration and sale of property assets;
- supervising the legal, accounting and fiscal administration of the Company and its subsidiaries.

The agreements between the Asset Manager and the subsidiaries of the M.R.M. group provide for and organise the information and reporting obligations to which the Asset Manager is subject in carrying out its duties.

Pursuant to its duties and in the context of monitoring the administration of the companies forming part of the M.R.M. group, the Asset Manager is responsible for supervising the companies' accounting, subcontracted to accountancy firms, and for managing cash flow and filing tax returns. In addition, and if necessary, the Asset Manager recommends the services of an external service provider that it deems necessary to consult, for example lawyers, tax advisers, economists, surveyors, technicians or others, who will be chosen by the Chairman and Chief Executive Officer.

The Asset Manager informs the Chairman and Chief Executive Officer and the Audit committee of any event or circumstance having a significant negative or positive effect on the value of the properties, and the periodic valuation of the property assets (using the services of a property appraiser).

The Chairman and Chief Executive Officer and the Asset Manager meet on a regular basis:

- to review the market and management policy, and decide on the treatment of the property assets;
- to track developments in the conduct and implementation of the valuation strategies applicable to the property assets, update the objectives of management and commercial strategy, approve the multi-year programme of works and update it during the coming year;
- to evaluate, in coordination with the Audit committee, the system for transmitting financial information and evaluating its performance, development and interconnections.

3.2.4 The Property Managers

The Property Managers manage the receipts and expenditure relating to the properties in accordance with the accounting regulations in force in France. They are responsible for the computerised recording of payments, payment reminders, settlements, disputes and their results, so that the Asset Manager can have access to clear and up-to-date information.

The agreements between the Property Managers and the subsidiaries of the M.R.M. group provide for and organise the information and reporting obligations to which the Property Managers must adhere in performing their duties.

Whenever necessary, the Property Managers provide the Asset Manager with the information required to prepare tax and social security returns. In this context, the information required to ensure that the books of account are properly maintained is sent on a monthly basis and as soon as possible.

The Asset Manager and Property Managers meet as often as necessary to evaluate the management of the properties. At such meetings, the Property Managers provide the Asset Manager with a management report on the activity, any significant events that have occurred and the proposed actions in the following months.

3.2.5 Financial management

In April 2008 an internal financial controller was hired. As an employee of the Company, this person is responsible for (i) financial, accounting and regulatory reporting on transactions performed by the Company and (ii) administrative and financial management of the Company and its subsidiaries. In September 2009, the financial controller was appointed Finance Director of the Company.

The Finance Director is responsible for:

- gathering operational, financial and accounting information for the preparation of the activity reports and annual, interim, quarterly and monthly regulatory information, if necessary;
- coordinating and supervising the work of service providers (accountants, property managers, lawyers and advisors, etc.) for the preparation of said reports;
- supervising the preparation of separate and consolidated financial statements, within the given deadlines, in accordance with the laws and accounting standards in force, in particular the IFRS;
- ensuring that the Company's financial information is comprehensive and consistent;
- participating in communications for investors and the financial markets (press releases, management of the Internet portal, etc.).

Concerning the administration and financial information on the Company and companies held by the Company, the Finance Director is responsible for:

- managing cash flow and the companies' banking transactions;
- supervising the preparation of all tax returns and legal disclosures of the Company and its subsidiaries;
- conducting the administrative management of the companies and coordinating the work of various external advisors and auditors;
- conducting the internal control of the Company and its subsidiaries;
- informing the Audit committee of the results of its internal control missions; and, more generally,
- managing the relationship with third parties involved in the areas for which the Finance Director is responsible.

If necessary, the Finance Director participates in raising capital and all other operations of this type.

The Finance Director follows the instructions provided or authorised by the Board of directors, under the supervision of the Chairman and Chief Executive Officer, and in general must comply with all instructions provided to him.

3.3 Risk mapping

The following are the main risks to which the Company could be exposed:

3.3.1 Risks linked to the activity

- Tightening of the general economy.
- Ever more competitive environment.
- Unfavourable changes in the regulations governing commercial leases.
- Non-renewal of leases and the vacation of assets.
- Non-payment of rents.
- Dependence on certain tenants.
- Failure of IT tools and information systems.
- Damaging financial consequences associated with the acquisition of certain property assets by the Company.
- Damaging financial consequences linked to the sale of certain property assets of the Company.
- Delays in the completion, or the non-completion, of investment projects.
- Inaccurate valuation of the Company's property assets.
- Unfavourable changes in current or future regulations.
- Unfavourable changes in the tax regime governing SIICs.
- Employment risks.
- Dependence on third parties other than tenants.

3.3.2 Company risks

- Lack of liquidity of the Company's shares.
- Conflicts of interest with other property funds managed in France by CB Richard Ellis Investors.

3.3.3 Legal risks

- Proceedings or litigation capable of having a significant impact on earnings.

3.3.4 Financial risks

- Foreign exchange risk.
- Interest rates risk.
- Liquidity risk.
- Risks associated with the pledging of property assets in favour of banks.

These risks and the associated hedging policies are presented in detail in chapter 2 of the Registration Document.

3.4 Preparation and monitoring of the accounting and financial information provided to shareholders

The preparation of the separate and consolidated financial statements is entrusted to accountants working closely with the Chairman and Chief Executive Officer, the Finance Director, the Audit committee and the members of the Board of directors, and the main options to be adopted in terms of the choice of accounting methods are discussed in advance between the accountants, the statutory auditors, general and financial management, the Audit committee and, if necessary, the Board of directors.

The preparation of the accounting and financial information distributed to shareholders relies on the collaboration between the Chairman and Chief Executive Officer, the Finance Director, the Audit committee and, if necessary the Board of directors, and the external parties involved (accountants and statutory auditors).

The Chairman, the Finance Director, the Audit committee and the Board of directors are responsible for the preparation and monitoring of the accounting and financial information delivered to the shareholders, in collaboration with the accountants and under the supervision of the statutory auditors.

Regular meetings are organised between the Chairman and Chief Executive Officer, the Finance Director and the accountants in the context of the preparation of financial information.

3.5 Monitoring the effectiveness of the internal control and risk management systems

The Audit committee questions the Finance Director and the statutory auditors on the internal procedures used to collect, record, assemble and examine the information used to prepare the separate and consolidated financial statements or to prepare the press releases issued to the market.

It evaluates the methods used to ensure permanent improvement, reliability and examination of the application of these procedures.

It reports annually to the Board of directors on the evaluation of these procedures. It is informed of the Finance Director's work schedule.

In compliance with Article L. 225-235 of the French Commercial Code, the statutory auditors will present you with their observations on the internal procedures described above relating to the preparation and treatment of accounting and financial information, in a report attached to this report.

Issued in Paris, 23 February 2011.

Jacques Blanchard

Chairman and Chief Executive Officer

4.6 Statutory auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code ("*Code de commerce*") on the report prepared by the Chairman of the Board of directors of the company

To the shareholders,

In our capacity as statutory auditors of M.R.M. SA, and in accordance with Article L. 225-235 of the French Commercial Code ("*Code de commerce*"), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

1 Information on the internal control and management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code.

2 Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris La Défense and Lyon, 14 April 2011

The statutory auditors

KPMG Audit	RSM CCI Conseils
A division of KPMG SA	
Régis Chemouny	Jean-Marc Pennequin
Partner	Partner

4.7 Statutory auditors' report on regulated agreements and commitments

To the shareholders,

In our capacity as statutory auditors of your company, we hereby report on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we would have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

However, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code of the implementation of the agreements and commitments which were already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national institute of auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying that the information provided to us is consistent with the underlying documentation from which it was extracted.

1 Agreements and commitments subject to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

We inform you that it was given to us no notice of any agreement or undertaking authorized in fiscal year to be submitted to the approval of the annual general meeting in application of Article L. 225-38 of the French commercial code.

2 Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with Article R. 225-30 of the French commercial code, we have been advised that the following agreements and commitments, which were approved in prior years, continued to be implemented during the year.

Agreement of current accounts

- With the following companies:
  - Boulevard des Iles SAS,
  - SCI du 325/345 avenue Georges Clémenceau,
  - SCI Galetin II,
  - DB Piper SAS,
  - DB Tucano SAS,
  - Investors Retail Holding SAS,
  - Commerces Rendement SAS,
  - SCI Immovert,
  - DB Fouga SAS,
  - DB Neptune SAS,
  - DB Caravelle SAS,
  - DB Albatros SAS,
  - DB Cougar SAS,
  - SCI Noratlas,
  - Immomarque SAS.
- Entity concerned:

Mr. Jacques Blanchard as Chairman of your Board of directors and representative of your company which is Chairman of all subsidiaries part of the agreement.

- Nature and purpose:

Your company signed on 27 August 2008 an agreement on current accounts for a period of five years with nineteen of its subsidiaries and sub-subsidiaries.

The company Immomarque SAS acceded to this convention on 10 June 2009.

- Terms and conditions:

Advances bore an interest rate at the maximum deductible rate which amounts to 3.82% for the fiscal year ended in December 2010.

These advances and related interest balances amount to the following figures as of 31 December 2010:

(in thousands of euros)

Company	Balance of current accounts as of 31 December 2010 debtors (positive amounts) or creditors (negative amounts)	Expense (negative amounts) or income (positive amounts) recorded in the books of M.R.M. in the course of the financial year ended as of 31 December 2010
Boulevard des Iles SAS	-2,252	-117
SCI du 325/345 avenue Georges Clémenceau	-5,646	-239
SCI Galetin II	251	9
Immomarque SAS	0	58
DB Piper SAS	1,509	29
DB Tucano SAS	2,463	59
Investors Retail Holding SARL	-1,169	-44
Commerces Rendement SAS	10,519	294
SCI Immovert	3,769	159
DB Caravelle SAS	0	-48
DB Fouga SAS	-2,717	-80
DB Neptune SAS	33	1
DB Albatros SAS	-639	-24
DB Cougar SAS	329	12
SCI Noratlas	4,642	99

The company DB Caravelle SAS was sold on 18 June 2010. The agreement on current account between M.R.M. SA and this company was therefore terminated during the fiscal year

The statutory auditors

Paris La Défense and Lyon, on the 14 April 2011

KPMG Audit
A division of KPMG SA
Régis Chemouny
Partner

RSM CCI Conseils
Jean-Marc Pennequin
Partner

4.8 Statutory auditors

Permanent statutory auditors

KPMG Audit

Division of KPMG SA

1 cours Valmy

92923 Paris-La Défense Cedex

Represented by Mr Régis Chemouny.

Date of first appointment: Ordinary General Meeting of 25 June 1981

Renewal date: Ordinary General Meeting of 29 June 2005

Date of expiry of term of office: the General Meeting called to approve the financial statements for the financial year ended 31 December 2010.

RSM CCI CONSEILS

2 bis rue Tête-d'Or

69006 Lyon

Represented by Mr Jean-Marc Pennequin.

Date of first appointment: Ordinary General Meeting of 29 June 2005

Date of expiry of term of office: the General Meeting called to approve the financial statements for the year ended 31 December 2010.

Deputy statutory auditors

Mr Arnaud Scrève

51 rue de Saint-Cyr-CP-409

69338 Lyon Cedex 09

Date of first appointment: Combined General Meeting of 29 June 2004.

Renewal date: Ordinary General Meeting of 29 June 2005

Date of expiry of term of office: the General Meeting called to approve the financial statements for the year ended 31 December 2010.

Mr Roland Carrier

2 bis rue Tête-d'Or

69006 Lyon

Date of first appointment: Ordinary General Meeting of 29 June 2005

Date of expiry of term of office: the General Meeting called to approve the financial statements for the year ended 31 December 2010.

4.9 Statutory auditors' fees

▶ FINANCIAL YEARS COVERED: 2010 AND 2009

	KPMG AUDIT				RSM CCI CONSEILS			
	Amount excluding VAT		%		Amount excluding VAT		%	
(in thousands of euros)	N	N-1	N	N-1	N	N-1	N	N-1
Auditing, certifying and examining the separate and consolidated financial statements [(a) (b)]								
• Issuer	115.2	133	55%	100%	57.2	57	100%	100%
• Globally-integrated subsidiaries	95.0	0	45%	0%	0	0	0%	0%
Other services directly associated with duties as a statutory auditor [(c)]								
• Issuer								
• Globally-integrated ubsidiariess								
SUB-TOTAL	210.2	133	100%	100%	57.2	57	100%	100%
Other services rendered by the network to globally-integrated subsidiaries [(d)]								
• Legal, scal, ocialfi s								
• Others (specify if > 10% of the audit fees)								
SUB-TOTAL	-	-	0%	0%	-	-	0%	0%
TOTAL	**210.2**	**133**	**100%**	**100%**	**57.2**	**57**	**100%**	**100%**

(a) In the period in question, these are services provided during an accounting year recognised in the income statement.

(b) Including the services of independent experts or members of the statutory auditors' network that the statutory auditor may call upon in the certification of the statements.

(c) This heading includes due care and directly related services provided to the issuer or to its subsidiaries:

- provided by the statutory auditor in compliance with the provisions of Article 10 of the Code of professional conduct;

- provided by a member of the network in compliance with the provisions of Articles 23 and 24 of the Code of professional conduct.

(d) These are non-auditing services provided in compliance with the provisions of Article 24 of the Code of professional conduct by a member of the network to the subsidiaries of the issuer whose financial statements are certified.

4.10 Transactions with affiliated companies

4.10.1 Regulated agreements

See the statutory auditors' special report on regulated agreements and commitments, presented in 4.7.

4.10.2 Other agreements with related parties

None.

5. SUBSTANTIAL CONTRACTS

M.R.M.'s subsidiaries are bound by management agreements with CB Richard Ellis Investors, the principal terms of which are summarised in paragraph 1.6 of this document entitled "Group Organisation".

6. INFORMATION ON INVESTMENTS

A list of the companies included within the scope of consolidation for the M.R.M. group appears in paragraph 3.7 of this document entitled "Consolidated financial statements for the year ended 31 December 2010", in part 3.1 of the notes to the financial statements.

The Group's subsidiaries are also presented in paragraph 1.5 of this document, entitled "Group ownership structure".

7.

COMBINED GENERAL MEETING OF 9 JUNE 2011

Agenda of the Ordinary General Meeting

- Examination and approval of the separate financial statements for the financial year ended 31 December 2010;
- Appropriation of income for the financial year ended 31 December 2010;
- Examination and approval of the consolidated financial statements for the financial year ended 31 December 2010;
- Statutory auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code;
- Directors' fees;
- Renewal of the terms of offices of directors;
- Renewal of the term of office of the principal and deputy statutory auditors;
- Appointment of principal and deputy statutory auditors;
- Authorisation to be granted to the Board of directors for the Company to purchases its own shares.

Agenda of the Extraordinary General Meeting

- Delegation of authority to the Board of directors for the purpose of proceeding with a capital increase reserved for members of Group employee savings plans;
- Powers of attorney.

Text of the resolutions

Ordinary resolutions

First resolution

(Approval of the separate financial statements for the financial year ended 31 December 2010)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the management report of the Board of directors and the general report of the statutory auditors, approves the annual financial statements for the financial year ended 31 December 2010, comprising the balance sheet, income statement and the notes to the financial statements, as presented to it by the Board of directors, together with the transactions reflected in these financial statements and summarised in said reports, showing a loss of €11,552,840.

The General Meeting notes that the share capital of the Company as of 31 December 2010, has been reduced, due to losses recorded in relation to the financial year, to an amount less than half of the share capital of the Company, and it would therefore be necessary to call a meeting of shareholders within four months from this date in order to decide upon the continuation of the corporate activities of the Company.

The General Meeting notes that the Company did not incur any expenditure or charge of the kind referred to in Article 39-4 of the French General Taxation Code during the financial year ended 31 December 2010.

Second resolution

(Appropriation of income for the financial year ended 31 December 2010)

The General Meeting, voting in accordance with the quorum and the majority requirements for Ordinary General Meetings, on proposition of the Board of directors, resolves to allocate the loss for the financial year ended 31 December 2010 totalling €11,552,840 to "retained earnings" which will thereby amount from €(53,800,190) to *€(65,353,030).*

The General meeting notes that the Company has not paid out any dividends in the last three financial years.

Third resolution

(Approval of the consolidated financial statements for the financial year ended 31 December 2010)

The General Meeting, in accordance with the quorum and the majority requirements for Ordinary General Meetings, having considered the management report of the Board of directors and the general report of the statutory auditors, approves the consolidated financial statements for the financial year ending 31 December 2010, comprising the balance sheet, income statement and the notes to the financial statements, as presented to them by the Board of directors, as well as the transactions reflected in these financial statements and summarised in these reports that show a loss of €18,563,000.

Fourth resolution

(Statutory auditors' special report on the agreements referred to in Article L. 225-38 and L. 225-39 of the French Commercial Code)

The Chairman reminds the shareholders at the meeting that the list of agreements falling within the scope of application of Articles L. 225.38 and L. 225.39 of the French Commercial Code was forwarded to the statutory auditors with a view to the preparation of their report. He presents the aforesaid report and the agreements mentioned therein.

After examination of the transactions reflected in this report, the General Meeting, in accordance with the quorum and the majority requirements for Ordinary General Meetings, acknowledges the conclusions of this report and, insofar as required, approves its terms and conditions.

Fifth resolution

(Directors' fees)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, and pursuant to the provisions of Article L. 225-45 of the French Commercial Code, resolves to fix the overall sum for directors' fees allocated to members of the Board of directors for the current financial year, starting 1 January 2011 at €30,000.

Sixth resolution

(Renewal of the term of a director)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of appointment of CB Richard Ellis Investors SAS expires today and decides to renew the aforesaid appointment for a term of four years expiring with the close of the Ordinary General Meeting to be held in 2015, which will be called to approve the financial statements for the financial year ending 31 December 2014.

Seventh resolution

(Renewal of the term of a director)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of appointment of the company SPE Office Sàrl expires today and decides to renew the aforesaid appointment for a term of four years expiring with the close of the Ordinary General Meeting to be held in 2015, which will be called to approve the financial statements for the financial year ending 31 December 2014.

Eighth resolution

(Renewal of the term of a director)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of appointment of the company SPE Finance Sàrl expires today and decides to renew the aforesaid appointment for a term of four years expiring with the close of the Ordinary General Meeting to be held in 2015, which will be called to approve the financial statements for the financial year ending 31 December 2014.

Ninth resolution

(Renewal of the term of a director)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of appointment of Séverine Farjon expires today and decides to renew the aforesaid appointment for a term of four years expiring with the close of the Ordinary General Meeting to be held in 2015, which will be called to approve the financial statements for the financial year ending 31 December 2014.

Tenth resolution

(Renewal of the term of a principal statutory auditor)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes the term of appointment as principal statutory auditor of the firm RSM CCI Conseils expires today and decides to renew the aforesaid appointment for a term of six years expiring with the close of the ordinary General Meeting to be held in 2017, which will be called to approve the financial statements for the financial year ending 31 December 2016.

Eleventh resolution

(Renewal of the term of a deputy statutory auditor)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of appointment as deputy statutory auditor of Roland Carrier expires today and decides to renew the aforesaid appointment for a term of six years expiring with the close of the Ordinary General Meeting to be held in 2017, which will be called to approve the financial statements for the financial year ending 31 December 2016.

Twelfth resolution

(Appointment of a principal statutory auditor)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of office of the principal statutory auditor, KPMG Audit SA, expires today and decides to appoint as the replacement principal statutory auditor, for a period of six years that will terminate at the close of the Ordinary General Meeting to be held in 2017, which will be called to approve the financial statements for the financial year ending 31 December 2016:

- the company KPMG Audit FS I SAS

Société par actions simplifiée (simplified joint stock company) with share capital of €200,000
whose registered office is at Immeuble le Palatin, 3 cours du Triangle
92939 Paris La Défense Cédex, France
and whose registration number is 512 802 596, RCS Nanterre
who have indicated beforehand that they would accept this role and there is no impediment to their exercising it

Thirteenth resolution

(Appointment of a deputy statutory auditor)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, hereby notes that the term of office of the deputy statutory auditor, Arnaud CREVE, expires today and decides to appoint as the replacement deputy statutory auditor, for a period of six years that will terminate at the close of the Ordinary General Meeting to be held in 2017, which will be called to approve the financial statements for the financial year ending 31 December 2016:

- The company KPMG Audit FS II SAS

Société par actions simplifiée (simplified join stock company) with share capital of €200,000
whose registered office is at Immeuble le Palatin, 3 cours du Triangle
92939 Paris La Défense Cédex, France
and whose registration number is 512 802 539, RCS Nanterre
who have indicated beforehand that they would accept this role and there is no impediment to their exercising it.

Fourteenth resolution

(Authorisation to be granted to the Board of directors for the Company to purchase its own shares)

The General Meeting, in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the report of the Board of directors, authorises the Board of directors, in accordance with the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code and European Regulation no. 2273/2003 of 22 December 2003, to purchase the Company's own shares.

This authorisation is granted for the following, if necessary:

- market making or ensuring stock liquidity by an investment services provider under a liquidity agreement that complies with the AMF-recognised (French Financial Markets Authority) AMAFI ethics charter;
- buying shares in order to hold them and subsequently use them in consideration or in exchange as part of acquisitions as an AMF-approved practice;
- the allocation of shares to employees and/or corporate officers (under the terms and conditions provided by law), in particular within the framework of a stock option scheme, bonus share awards or a company savings plan;
- the allocation of shares to holders of securities giving access to the Company's capital by the exercise of rights attached to these securities, and this pursuant to the regulations in force.

The above-mentioned acquisition, sale or transfer operations described above may be performed by any means permitted by law and the regulations in force, including the use of derivative financial instruments and block purchases or sales.

These transactions may be performed at any time, including during a tender offer, subject to the abstention periods established in the legal provisions and regulations in force.

The General Meeting fixes the maximum number of shares that may be acquired under this resolution as of 10% of the Company's capital at the date of this meeting. This corresponds to 350,197 shares with a nominal value of €8, it being specified (i) that when using this authorisation, the number of treasury shares must be taken into account to ensure that the Company remains continuously within the limit for treasury shares, with a maximum equal to 10% of the share capital and (ii) that the number of treasury shares to be delivered as payment or in exchange under the framework of a merger, demerger or capital contribution operation may not exceed 5% of the capital.

The General Meeting decides that the total sum invested in these acquisitions cannot exceed €3 million and that the maximum purchase price cannot exceed €15 per share.

In the event of a capital increase by the incorporation of share premiums, reserves, profits or others in the form of bonus share allocation during the term of the present authorisation as well as in the case of stock splits or combinations, the maximum unit price indicated above will be adjusted by applying a multiplier equal to the ratio between the number of shares comprising the capital before the transaction and the number of shares following the transaction.

The General Meeting, grants the Board of directors, with the power to delegate under the terms and conditions established by law, all powers required to:

- decide on the implementation of the present authorisation;
- approve stock market orders, conclude any agreements with a view to, in particular, maintaining records of share purchases and sales, in accordance with the regulations in force;
- prepare all declarations and complete all other formalities and, in general, perform all that may be necessary.

The Board of directors will notify shareholders at their Annual Ordinary General Meeting of all transactions performed in accordance with this resolution.

The present authorisation is granted for a term of 18 months as from the date of this Meeting. It cancels and replaces any authorisation previously granted under the fifth resolution by shareholders in their General Meeting of 10 June 2010.

Extraordinary resolutions

Fifteenth resolution

(Delegation of authority to the Board of directors to proceed with an increase in capital reserved for members of employee savings plans of the Group)

The General Meeting, in accordance with the quorum and majority requirements for Extraordinary General Meetings, having considered the report of the Board of directors and the special report of the statutory auditors, pursuant to Articles L. 225-129-2, L. 225-138, L. 225-138-1 of the French Commercial Code and L. 3332-1 *et seq*. of the French Labour Code and in order also to satisfy the provisions of Article L. 225-129-6 of the French Commercial Code:

1. delegates its authority to the Board of directors to the effect (i) to increase the Company's share capital through the issue of shares or more generally of any securities, on one or more occasions, giving access to the capital of the Company that would be reserved to members of employee savings plans of the Group and (ii) to grant, where applicable, shares or securities giving access by total or partial substitution of the discount referred to in point 3 below under the conditions and within the limits provided by Article L. 3332-21 of the French Labour Code, with the understanding, as necessary, the Board of directors may substitute for all or a portion of this capital increase the transfer, under the same conditions, of securities already issued and held by the Company;
2. decides that the total number of shares that may result from all shares issued under this delegation, including those resulting from shares or securities giving access to the Company's share capital that may be allotted as bonus shares as a full or partial substitution for the discount as provided by Articles L. 3332-18 *et seq*. of the French Labour Code, should not exceed 35,000 shares. To this total number shall be added, where applicable, the additional number of shares to be issued to preserve, as provided by law, to protect the rights of holders of securities giving access to the Company's share capital;
3. decides that (i) the subscription price of newly issued shares may neither be greater than the average of the opening price for existing shares during the twenty trading sessions preceding the day of the decision of the Board of directors or the Chief Executive Officer setting the opening date for the subscription period, nor more than 20% lower than this average, with the understanding that the Board of directors or the Chief Executive Officer may, where applicable, reduce or eliminate the discount which might otherwise apply, in order to take into account, in particular, legal framework or tax regimes outside France or decide to fully or partially replace this maximum discount of 20% with the allotment of bonus shares and/or of securities giving access to the company's share capital and that (ii) the issue price for securities giving access to the company's share capital shall be determined as provided by Article L. 3332-21 of the French Labour Code;
4. decides to cancel in favour of members of the employee savings plan(s) of the Group the preferential subscription rights of shareholders to shares or securities giving access to the Company's share capital that may be issued under this delegation and to waive any rights to receive shares or securities giving access to the Company's share capital that might be allotted free of charge under the terms of this resolution;
5. grants full powers to the Board of directors, including the option to sub-delegate its authority as provided by law, in particular to:

- decide whether shares must be subscribed to directly by employee members of the Group savings plans or whether they must be subscribed to *via* a company mutual fund (FCPE) or *via* a unit trust available exclusively to employee shareholders (SICAVAS),
- determine the companies whose employees may benefit from the subscription offer,
- determine whether a specific time limit should be granted to employees for the payment in full of their securities,
- set the conditions for enrolment in the Group's employee savings plans and draw up or amend the rules,
- set the opening and closing dates for the subscription period and the issue price for securities,
- proceed with the allotment of bonus shares or of securities giving access to the Company's share capital, within the limits set out in Articles L. 3332-18 *et seq*. of the French Labour Code, and set the type and amount of reserves, profits, or premiums to be capitalised,
- approve the number of new shares to be issued and the reduction rules applicable in the event that an issue is oversubscribed,
- apply the expenses of the share capital increases and of the issue of other securities giving access to the Company's share capital, against the amount of the corresponding premiums and deduct from that amount any sums necessary in order to bring the legal reserve to one-tenth of the new capital following each capital increase.

This authorisation is granted for a period of twenty-six months from the date of this meeting.

Sixteenth resolution

(Powers of Attorney)

The General Meeting hereby gives full powers to the bearer of an original, copy or extract of these resolutions to carry out any legal formalities.

Auditors' report on the share capital increase with cancellation of the preferential subscription right

Extraordinary General Meeting of 9 June 2011

This is a free translation into English of the auditors' report on the share capital increase with cancellation of the preferential subscription right issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

As Statutory Auditors of your Company and in compliance with the articles L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to grant the Board of Directors the authority to increase share capital by issuing ordinary shares or negotiable securities conferring the right to the Company's ordinary shares without preferential subscription rights to Members of a Company Employee Savings Plan, representing a maximum of 35 000 shares, upon which you will be required to vote.

This increase in share capital is submitted for your approval in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the Employment Code.

The Company's Board of Directors proposes, on the basis of its report, that you grant it the authority to increase share capital, for a 26 month period, and that you relinquish your preferential subscription rights for these issuances. The Board of Directors will set out the final arrangements for the share capital increases, where appropriate.

It is the responsibility of the Company's Board of Directors to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. Our responsibility is to express an opinion on the faithful representation of the figures provided in the Company's financial statements, on the proposal to withdraw the preferential subscription rights and on any other information concerning the share issue provided in the report.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French Institute of Statutory Auditors (CNCC). Our work consisted in verifying the content of the report by the persons authorized to implement relating to the share capital increases and the methods used to determine the issue price.

Subject to the examination at a subsequent date of the terms of the issuances, we have nothing to report on the methods used to set the issue price, as provided in the report by the Board of Directors.

As the issue price has not yet been set, we do not express an opinion on the final issue conditions of the capital increases, or on the proposal that you relinquish your preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when the Company's Board of Directors uses this authorization to issue the shares

The Statutory Auditors

Paris La Défense, 27 April 2011
KPMG Audit
Department of KPMG SA

Régis Chemouny
Partner

Lyon, 27 April 2011
RSM CCI Conseils

Jean-Marc Pennequin
Partner

8. PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Mr Jacques Blanchard

Chairman of the Board of directors and Chief Executive Officer

9.

FINANCIAL CALENDAR

24 February 2011:	Fourth quarter 2010 revenue, 2010 full-year results and information meeting
12 May 2011:	First quarter 2011 revenue
9 June 2011:	General Meeting of Shareholders
28 July 2011:	Second quarter 2011 revenue
15 September 2011:	2011 half-year results and information meeting
10 November 2011:	Third quarter 2011 revenue

10. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of this Registration Document are available free of charge from the Company, on its website (www.mrminvest.com) and from the French Financial Markets Authority (*Autorité des Marchés Financiers*) (www.amf-france.org).

All legal and financial documents that must be made available to shareholders, in accordance with applicable regulations, may be consulted at M.R.M.'s head office: 65/67 avenue des Champs-Élysées, Paris (75008).

In particular, the following documents can be consulted:

(a) the issuer's deed of incorporation and Articles of Association;

(b) any reports, letters and other documents, historic financial information, valuations and declarations prepared by an expert at the issuer's request, part of which is included or referred to in the Registration Document;

(c) historic financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

The "Regulated information" section of the Company's website is available at the following address: http://ir.finance.mrminvest.com

This section includes all the regulated information distributed by M.R.M. in accordance with the provisions of Articles 221-1 *et seq*. of the General Regulations of the AMF (*Autorité des Marchés Financiers*).

11. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

11.1 Person responsible for the Registration Document

Mr Jacques Blanchard, Chairman and Chief Executive Officer of M.R.M.

11.2 Certification by the person responsible for the Registration Document

Having taken all reasonable steps for this purpose, I hereby certify that the information contained in this Registration Document is, to the best of my knowledge, true and that it does not contain any omissions likely to alter its scope.

I also certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a fair view of the asset portfolio, financial position and results of the Company and the companies included within the scope of consolidation, and that the management report (included in section 3.6) presents a fair view of the evolution of the business, results and financial position of the Company and the companies included within the scope of consolidation included, as well as a description of the main risks and uncertainties facing these.

I have received a letter from the statutory auditors confirming that they have completed their work and stating that they have verified the information relating to the financial position and the financial statements provided in this Registration Document, which they have read in full.

The historic financial information presented in this document formed the subject of the statutory auditors' report, included in pages 96 and 110. The statutory auditors' report referring to the annual financial statements as of 31 December 2010 includes a comment on the amendments to agreements signed by some of the Group's subsidiaries with their banking partner concerning debts maturing in 2011.

The statutory auditors' report referring to the consolidated financial statements as of 31 December 2010 contains a comment on the actions taken by the Company which justify the continuation of the going concern principle.

Jacques Blanchard

Chairman and Chief Executive Officer

12.

CHECK LIST

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N°	INFORMATION	SECTION
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To facilitate the reading of this document, the above check-list allows you to identify in this registration document, the information comprising the annual financial report that must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers*).

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Notes

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